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PROCEEDINGS
OF THE
FIFTH ANNUAL MEETING
OF THE
NATIONAL BOARD OF TRADE,
HELD IN NEW YORK,
OCTOBER, 1872.

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1872

"The utility of councils may be divined from this one fact—that no one man is as wise as all other men, or even as any four or five other men. He may be swifter, he may be more decisive, but he is never so comprehensive and so various."

ARTHUR HELPS.

Transport.

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INTRODUCTORY NOTE.

UNTIL the last autumn, circumstances had not seemed to render it practicable for the National Board of Trade to hold one of its annual meetings in the chief commercial city of the continent. In response, however, to a cordial invitation from the Chamber of Commerce of New York, the Board decided at St. Louis a year ago, that its next sessions should be held in that city. It also changed the date of the annual meeting from the first Wednesday in December to the third Tuesday in October.

The expectation that the choice of New York as the place of meeting together with the selection of a more favorable season of the year, would ensure a large attendance and awaken a new interest in the Board, was not disappointed. Thirty-one commercial organizations were represented, and eighty-six delegates were enrolled, all but five or six of them being present. Two constituent bodies withdrew from the membership, and three commercial boards joined the association, making the present number of constituent organizations forty, a net gain of eight since the formation of the National Board in Philadelphia in 1868.

The proceedings at New York did not occupy quite so much time as at most of the previous meetings. In reporting them also, special pains have been taken to abbreviate and condense, whenever this could be done without injustice to the subjects discussed. For these reasons, the present volume is smaller than several which have preceded it; but upon examination, it will be found that the debates, given in full, upon transportation, the shipping interest, immigration, reciprocal trade with Canada, the lumber duties and the currency, are as interesting and as suggestive as any before published by the Board. For the fourth time the exact and faithful notes of Mr. YERRINTON, furnish the basis upon which the compilation of the proceedings is made up.

In reviewing the action of the Board year by year, it is noticeable that the delegates find it more and more easy to harmonize their conclusions. At Cincinnati in 1868, the yeas and nays were ordered fourteen times; in New York, at the late meeting, they were called twice only, and of the thirteen affirmative propositions there adopted, nine received an unanimous vote. This general agreement, so

frequently reaching unanimity, is one illustration of the practical value of this organization, in which business men having the commercial prosperity of their country at heart, and honestly desirous of ascertaining the truth, are enabled to compare their views together, to reconcile apparently conflicting interests, and to show the way in which common ground may be reached and held by those who, in theory even more than in locality of residence, are widely separated from each other. As a particular example of this, it may be said, that now, for the second time, the Board has without one dissentient voice united in a declaration in reference to the tariff, that question of all others in social economy upon which the citizens of the United States most differ among themselves.

At New York, as at St. Louis, the Board had the pleasure of welcoming to its deliberations a deputation from the Dominion Board of Trade, and it sought in conference with these gentlemen, in a broad spirit of international comity and friendship, to prepare the way for the renewal of those reciprocal arrangements for commercial intercourse between Canada and the United States, which unfortunately were sundered in 1865, and, which it is so evidently for the interest of both countries, to restore in some practicable and mutually acceptable form, with as little delay as possible. Neither Congress nor the State Department at Washington, has yet taken up this important question, in response to the appeal of the business men of the United States as represented in this Board, but the officers will continue to urge it upon their attention, and many circumstances conspire to give reasonable hope that the effort will in due time be successful.

The members of the Board have further occasion for regret, in the failure thus far of those in authority at Washington, to appreciate the want, so constantly and so severely felt by the merchants of the country, of a Department of Commerce as a branch of the General Government. Hardly a day passes, in which some commercial question does not arise, which needs the time, the consideration and the knowledge for its adjustment, which can only be given in a Department especially charged with the duty of caring for the commercial interests of the nation, and provided over by an experienced business man. There is nothing for the Board and for the local bodies and individual merchants to do in this regard, but to persistently press this subject upon the attention of members of Congress, and in the end, they can hardly fail to accomplish their purpose. The Board has reason to congratulate itself on having exerted in many ways a direct and positive influence upon legislation in Congress; and if it has not succeeded as yet, in carrying in definite form such particular measures as the negotiation of a new treaty for

INTRODUCTORY NOTE.

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reciprocal trade with Canada, or the establishment of a Department of Commerce, its members may be sure that it is only a question of time as to their securing these objects and any others, which they may deliberately set before them and which can be demonstrated to be essential to the best prosperity of the country at large.

The resolutions on International Coinage, adopted on the motion of Mr. SAMUEL B. RUGGLES, have been favorably considered at Washington, and the Senate Committee has reported amendments to the pending bill on the subject, virtually in accordance with the views which they express. It is to be hoped that the measure will be fully and definitively acted upon before the final adjournment of the present Congress. The state of Mr. RUGGLES's health has prevented his revising the interesting speech which he made in support of the resolutions, and at his request it is therefore omitted from the record of the proceedings.

The officers of the Board desire to make special acknowledgements to the Chamber of Commerce, to the Importers and Grocers Board of Trade, and to individual members of both these associations, for many courtesies extended to them, and for their endeavors to promote the convenience of the Board during its sessions, and the enjoyment of the delegates during their continuance in New York.

H. A. H.

Boston, December 24, 1872.

CONSTITUTION

OF THE

NATIONAL BOARD OF TRADE,

ADOPTED AT PHILADELPHIA, JUNE 5, 1868.

AND AS SINCE AMENDED.

DECLARATION.

In order to promote the efficiency and extend the usefulness of the various Boards of Trade, Chambers of Commerce and other chartered bodies, organized for general commercial purposes, in the United States; in order to secure unity and harmony of action in reference to commercial usages, customs and laws; and especially, in order to secure the proper consideration of questions pertaining to the financial, commercial and industrial interests of the country at large, this Association on this fifth day of June, 1868, is hereby formed by delegates, now in session in the city of Philadelphia, representing the following named commercial organizations, to wit :

Albany Board of Trade,	New York Chamber of Commerce,
Baltimore Board of Trade,	New York Produce Exchange,
Boston Board of Trade,	Oswego Board of Trade,
Boston Corn Exchange,	Peoria Merchants Exchange,
Buffalo Board of Trade,	Philadelphia Board of Trade,
Charleston Board of Trade,	Philadelphia Commercial Exch.,
Chicago Board of Trade,	Pittsburgh Board of Trade,
Cincinnati Chamber of Commerce,	Portland Board of Trade,
Cleveland Board of Trade,	Providence Board of Trade,
Denver Board of Trade,	Richmond Chamber of Commerce,
Detroit Board of Trade,	St. Louis Board of Trade,
Dubuque Produce Exchange,	St. Louis Union Merchants' Exch.,
Louisville Board of Trade,	St. Paul Chamber of Commerce,
Milwaukee Chamber of Commerce,	Toledo Board of Trade,
Newark Board of Trade,	Troy Board of Trade,
New Orleans Chamber of Com.,	Wilmington (Del.) Board of Trade.

CONSTITUTION.

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And the following Constitution is adopted :

ARTICLE I.

SECTION 1. This Association shall be designated the NATIONAL BOARD OF TRADE.

ARTICLE II.

SECTION 1. Every local Board of Trade, Chamber of Commerce, or other body organized for general commercial, and not for special or private purposes, and duly chartered under State or National laws, shall be entitled to membership in this Association, on the approval of two-thirds of the bodies represented at any meeting of the Association, and shall be accorded the following representation : Each such association having fifty members who have the right to vote therein, shall be entitled to one delegate ; having one hundred members, two delegates ; having three hundred members, three delegates ; having five hundred members, four delegates ; and for each additional three hundred members, one additional delegate.

SEC. 2. Delegates who shall in all cases be active members of not less than one year's standing of the respective bodies which they represent, shall be selected by the local organizations in such manner and for such term of not less than one year, as each may see fit. At each meeting of the Board they shall present credentials under seal from the Secretaries of their respective constituencies ; these credentials shall certify the number of members authorized to vote then connected with the body which is claiming representation, and which may present or may have a copy of its charter on file in this Board.

ARTICLE III.

SECTION 1. Each delegate shall be entitled to one vote in person, but no voting by proxy shall be allowed. All votes, except for election of officers, shall be *viva voce*. Any delegate may demand a division of the house, and on the demand of three or more delegates, a call of the yeas and nays shall be had, the result of the same to be duly recorded.

ARTICLE IV.

SECTION 1. The administration of the affairs of this Board shall be vested in a President and fourteen Vice-Presidents, who shall be elected at the annual meeting by ballot on a majority of all the votes cast, and who shall serve until their successors are chosen.

Their election shall be the first business in order. They shall be constituted and known as an Executive Council, and five of their number shall be a quorum for the transaction of business. In the absence or disability of the President, a Vice-President, to be designated by his associates, shall serve.

SEC. 2. It shall be the duty of the Executive Council, immediately after their election, to select a Secretary and a Treasurer, (neither of whom shall be of their own number,) who shall hold office for such time, and who shall receive such compensation as the Council may determine.

SEC. 3. The offices of the Secretary and the Treasurer may be located at such places as the Council shall determine.

SEC. 4. Special meetings of the Council shall be held on the call of seven members thereof, at such place as they may designate, on twenty days' notice to be given by the Secretary.

SEC. 5. In case of the removal, resignation, or death of any member of the Council, his place for the unexpired term, shall be promptly filled by the constituent association of which he was a member.

ARTICLE V.

SECTION 1. It shall be the duty of the Executive Council :

1st. To provide for full and accurate records of the proceedings of the Board and of its own meetings.

2nd. To submit to each annual meeting a report of the doings of the Board and of its own official acts, as well as a statement of what new or unfinished business may require attention.

3rd. To make full statement concerning the finances of the Board to the annual meetings, and to other meetings, when called on to do so.

4th. To apportion to each constituent body, its assessment for the expenses of the Board, as provided elsewhere.

5th. To make such recommendations as it may deem to be necessary for the welfare and to promote the objects of the Board.

SEC. 2. The Secretary shall conduct the official correspondence, and shall make and have charge of the records of the Board and of the Executive Council.

- SEC. 3. The Treasurer shall give such security as the Executive Council may require, receive and account for all moneys belonging to the Board, and collect assessments and fines, but he shall pay out money and dispose of the property of the Board only on a warrant of the Secretary, countersigned by the President.

ARTICLE VI.

- SECTION 1. A meeting of the National Board of Trade shall be held on the third Tuesday in October of each year, at such place as shall have been determined upon at a previous meeting, on the majority vote of all the constituent bodies represented.

SEC. 2. Special meetings may be held on the call of eight members of the Executive Council, at such place as they may designate.

SEC. 3. The attendance of forty delegates shall constitute a quorum.

SEC. 4. Notice of the annual or other meetings shall be served by the Secretary on each constituent body at least thirty days before the time appointed for assembling. The notice shall state the objects of the meeting, and the questions to be considered.

SEC. 5. A meeting of the Executive Council shall be held on the day preceding the day of any meeting of the Board and at such other times as may be provided in its By-Laws.

ARTICLE VII.

SECTION 1. The expenses of the Board shall be provided for by an assessment to be made by the Executive Council on each constituent body, according to the ratio of its officially reported membership.

ARTICLE VIII.

SECTION 1. Questions or resolutions, except those which involve points of order, or refer to matters of courtesy, can be submitted only by the constituent bodies of the Board or by the Executive Council; and when any constituent body shall desire to present a subject for the consideration of the Board, it shall do so in a written paper to

be placed in the hands of the Secretary at least forty days previous to the annual or special meeting at which it is to be considered: *Provided, however,* That any subject not thus submitted may be considered and acted upon by a vote of two-thirds of the delegates present.

ARTICLE IX.

SECTION 1. Any constituent body charged with a violation of the laws of this Board may, after a formal complaint thereof in writing, on a vote of two-thirds of all the delegates of the other bodies represented herein, be expelled; but it shall not be exempted from the payment of assessments levied for the year current.

SEC. 2. Any constituent body may withdraw from membership in the Board on submitting a formal request to that effect at an annual meeting, and on full payment of all dues.

ARTICLE X.

SECTION 1. This Constitution may be amended at an annual meeting, on a vote of two-thirds of the delegates present; notice of the proposed amendment having been first submitted to the Secretary by a constituent body, at least forty days previous to the meeting at which the same is to be considered, and transmitted by the Secretary in circular copies to each constituent body at least thirty days before said meeting.

ARTICLE XI.

SECTION 1. This meeting of delegates, called in accordance with the plan of preliminary organization adopted by the Commercial Convention held in Boston on the fifth day of February last, shall be regarded as the first meeting of the National Board of Trade, and is hereby empowered to choose officers, to serve until their successors shall be elected, and to act upon all papers and resolutions laid before it, the same to be considered as having been submitted in the form and manner required by this Constitution.

BY-LAWS.

I. THE following shall be the order of business at the annual meetings of the Board :

1st. The call of the roll.

2nd. The reading of the reports of the Executive Council, and the Treasurer.

3rd. The election of officers.

4th. The reception of papers from associations seeking admission to membership, to be referred to a Committee on Credentials, to consist of five delegates, which shall have leave to sit during the sessions of the Board.

5th. The reception of letters from associations seeking to withdraw from the Board, to be referred to the same Committee.

6th. The consideration of any subjects proposed in the annual report of the Executive Council, or in the hands of Committees appointed at a previous meeting.

7th. The consideration of the subjects on the official programme, in the order in which they are there placed, unless otherwise recommended by the Executive Council.

II. At the annual election, before balloting for President, it shall be competent for delegates to make nominations for that office ; and before balloting for Vice-Presidents, each delegation present shall be called upon to make a nomination, and the fourteen persons whose names shall stand highest upon the ballot, provided that they have received a majority of all the votes cast, shall be declared to have been elected.

III. Any resolutions on new business not upon the official programme, or recommended by the Executive Council, excepting those relating to points of order or matters of courtesy, shall be referred to the Executive Council before final action be taken upon them.

IV. At the meetings of the Board, no delegate shall speak more than ten minutes on one question, without the leave of the Board, nor more than twenty minutes without unanimous consent.

V. A vote of two-thirds of the delegates present shall be necessary to carry the approval of the Board upon any proposition which may appear or which may be placed upon the official programme.

VI. The rules of the House of Representatives of the United States shall govern the deliberations of the Board, so far as they may be applicable and in harmony with the Constitution and By-Laws.

VII. The annual assessment laid by the Executive Council shall be considered as due at the beginning of the year, which year shall commence with the annual meeting; no delegate shall be entitled to a seat at any meeting of the Board unless the constituent body to which he belongs shall have paid the assessment for the preceding year; and any constituent body participating in the proceedings of the annual meeting shall be held liable for the assessment of the current official year.

VIII. The annual assessment shall be based upon the officially reported membership of the constituent bodies at the date of the annual meeting at which it is made.

IX. The Executive Council shall recommend at each annual meeting the place at which it judges it to be expedient that the next annual meeting shall be held.

X. The term of service of not less than one year for which delegates are elected, shall commence with the date of the annual meeting of this Board.

XI. These By-Laws may be amended at an annual meeting, on a vote of two-thirds of the delegates present.

OFFICERS FOR 1872.

PRESIDENT:

FREDERICK FRALEY, *Philadelphia.*

VICE-PRESIDENTS:

ISRAEL M. PARR,	<i>Baltimore.</i>
JOHN W. CANDLER,	<i>Boston.</i>
GEORGE S. HAZARD,	<i>Buffalo.</i>
A. M. WRIGHT,	<i>Chicago.</i>
A. T. GOSHORN,	<i>Cincinnati.</i>
JAMES M. DUNCAN,	<i>Louisville.</i>
WILLIAM E. SMITH,	<i>Milwaukee.</i>
R. W. SMITH,	<i>Mobile.</i>
W. M. BURWELL,	<i>New Orleans.</i>
GEORGE OPDYKE,	<i>New York.</i>
C. J. HOFFMAN,	<i>Philadelphia.</i>
T. C. HERSEY,	<i>Portland.</i>
WILLIAM GROSVENOR,	<i>Providence.</i>
CLINTON B. FISK,	<i>St. Louis.</i>

SECRETARY and TREASURER:

HAMILTON A. HILL, *Boston.*

MEMBERS OF THE NATIONAL BOARD OF TRADE.

NAMES.	Date of Organization.	Date of Incorporation.	Reported Membership, Oct. 1872.	President, 1872.	Secretary, 1872.
Augusta, (Ga.,) Board of Trade.....	1838	1839	85	W. E. Jackson....	C. T. Smith.
Baltimore Board of Trade.....	1849	1852	310	H. L. Whitridge..	G. U. Porter.
Baltimore Corn and Flour Exchange.	1855	1855	442	W. S. Young.....	W. F. Wheatley.
Boston Board of Trade.....	1854	1854	650	A. H. Rice	H. A. Hill.
Boston Commercial Exchange.....	1855	1868	291	G. F. Stone.....	G. S. Jackson.
Buffalo Board of Trade	1844	1857	310	A. P. Wright.....	W. Thurstone.
Charleston Board of Trade.....	1866	1866	261	D. F. Fleming....	A. F. Black.
Chicago Board of Trade.....	1848	1859	1309	J. W. Preston	C. Randolph.
Cincinnati Board of Trade	1869	1869	364	R. Mitchell.....	H. H. Tatem.
Cincinnati Chamber of Commerce...	1839	1850	1200	S. F. Covington...	W. T. Tibbitts.
Denver Board of Trade.....	1867	....	80	W. M. Clayton...	R. W. Woodbury.
Detroit Board of Trade.....	1856	1863	350	C. M. Garrison...	J. Colt.
Dubuque Board of Trade	1868	1868	110	M. Kingman.....	T. L. Bowman.
Galveston Chamber of Commerce ...	1865	1866	94	A. M. Hobby	R. J. Hughes.
Kansas City (Mo.,) Board of Trade..	....	....	....	W. H. Powell.....	D. B. Drake.
Louisville Board of Trade.....	1862	1862	263	J. M. Duncan.....	A. Wayland.
Milwaukee Chamber of Commerce...	1858	1868	323	F. H. West.....	W. J. Lanson.
Mobile Board of Trade.....	1868	1868	316	P. Williams	R. W. Fort.
Nashville Board of Trade.....	....	....	310	F. H. French.....	J. A. Gibson.
Newark Board of Trade	1868	1869	142	J. C. Johnson	R. S. Swords.
New Haven Chamber of Commerce...	1794	1872	60	T. R. Trowbridge..	E. S. Wheeler.
New Orleans Chamber of Commerce.	1834	1834	200	J. H. Oglesby....	W. M. Burwell.
New York Chamber of Commerce...	1768	1770	717	W. E. Dodge.....	G. Wilson.
N. Y. Importers and Grocers' B. of T.	1872	1872	176	W. A. Booth.....	W. Neilson.
Norfolk Merchants and Mech's Ex'ge.	1858	1868	100	W. Lamb.....	M. Glennan.
Oswego Board of Trade.....	1849	1868	125	W. D. Smith.....	O. F. Gaylord.
Petersburg Commercial Exchange...	....	....	55	J. E. Venable....	C. Jones.
Philadelphia Board of Trade.....	1833	1838	900	J. Welsh.....	G. L. Buzby.
Philadelphia Commercial Exchange.	1853	1863	700	W. Brice.....	G. G. Pierle.
Portland Board of Trade.....	1853	1854	303	W. S. Dana.....	M. N. Rich.
Providence Board of Trade.....	1863	1868	370	J. Y. Smith	W. W. Chapin.
Quincy Board of Trade.....	1865	1867	95	.....	.....
Richmond Chamber of Commerce...	1867	1868	122	T. W. McCance...	P. G. Coghan.
Salem Board of Trade.....	1869	1869	100	W. P. Phillips...	H. A. Brown.
San Francisco Chamber of Commerce.	1850	1868	225	C. A. Low.....	W. Bartlett.
St. Joseph (Mo.,) Board of Trade..	....	....	....	S. Adler.....	H. Carter.
St. Louis Board of Trade.....	1866	1866	431	B. B. Bonner.....	S. Waterhouse.
St. Louis Union Merchants Exchange	1862	1863	1200	R. P. Tansey	G. H. Morgan.
Troy Board of Trade.....	1863	1863	116	C. O. Green	J. H. Jones.
Wilmington (Del.,) Board of Trade..	1867	1869	108	E. T. Warner.....	G. W. Stone.

FIFTH ANNUAL MEETING
OF THE
NATIONAL BOARD OF TRADE.

FIRST DAY.

TUESDAY, OCTOBER 15, 1872.

THE Fifth Annual Meeting of the National Board of Trade was convened in the city of New York, on Tuesday, the 15th day of October, 1872, and the four following days. The opening session was held at the rooms of the Chamber of Commerce of the State of New York, where the Board was called to order at noon, by the President, Mr. FREDERICK FRALEY, of Philadelphia, who introduced the Hon. WILLIAM E. DODGE, President of the Chamber, who addressed the Board as follows :

Mr. President and Gentlemen of the National Board of Trade:—
It affords me very great pleasure to give you, on behalf of the Chamber of Commerce of the State of New York, a most hearty welcome to our city, to assure you of our deep sympathy in the great work in which you are engaged, and to say that during your stay amongst us, it will afford us the highest gratification to do everything in our power to promote your comfort and pleasure. We regret very much that we are not able to welcome you to more ample and commodious rooms, such as you might naturally have looked for in coming to this centre of commerce; but without stopping to give any reasons why these rooms are not larger and better adapted for our purposes, I will simply say, that when next we have the pleasure of welcoming you to our city, we shall hope to do so in rooms more commodious and suitable, and without having to ask you to adjourn to other quarters in the city.

You have come among us, gentlemen, at a time when the public mind is greatly excited and agitated, in view of the approaching Presidential election; but notwithstanding this, our citizens, merchants and traders, will watch your proceedings with great interest. Coming to us from all the various centres of trade and influence throughout the country, you will have occasion to discuss subjects of vast importance to our nation. Wherever we now turn, unless it may be to some portions of the Southern States, we find a degree of material wealth, progress and prosperity following immediately upon our great national struggle, that is not only looked upon with wonder and astonishment by other nations, but by ourselves likewise. In whichever direction we look, in all our cities and villages, and along the routes of our railways, we see the evidences of vast wealth and rapidly increasing facilities of intercourse. During the last ten years,—many of them years of terrific struggle,—we have expended in this country nearly a thousand millions of dollars in the construction of railways. These lines have opened up portions of the country before almost inaccessible, they have given value to sections that before were lying waste, and they have virtually annihilated the distance between the Atlantic and the Pacific. It is very difficult for us to realize the influence of these means of communication. Without greatly disturbing the monetary interests of the country, we have been able to make the expenditure referred to, and we have, at the same time, created, not an artificial, but a real wealth in the country, greatly exceeding the cost of these railways.

Another prominent cause which has led to this large increase of wealth is the annual yield of our precious metals; and although we well know, that to many who have been engaged in their production, to miners and to speculators in the interior of the country, there may have been no profit, yet the infusion into the volume of circulation, and the influence underlying the commerce of the country, of an annual production of from fifty to sixty millions of dollars,—a larger amount than, I suppose, before the discovery of gold in California, could have been found in all the banks of the nation,—has contributed to that large accession of wealth in this country which we see around us. At the same time, the gold of Australia and some other countries has largely increased the wealth of other nations. Many among us assume that we are lifted upon a great bubble, that is very soon to burst and involve us all in ruin. They forget that the effect of this annual product of the precious metals has absolutely created values that never could have existed otherwise, and has largely increased values previously existing, and that this accounts for the great advance

in prices all over the world. This has given a new impetus to trade and commerce, and you are to be called upon to consider again, what you have so often considered, whether anything can be done to improve the facilities for transporting the products of this newly opening country to the seaboard. It strikes me that at the present time there is nothing so worthy of your consideration as this question. Prices have advanced greatly, and the farmer of the far West, as he sends his wheat to market, finds that, this year, it takes two bushels and a half to buy what one bushel bought last year; consequently, notwithstanding the most wonderful crops which have blessed the West, the amount received by the agriculturists of the country is far less than last year, although there is a great demand springing up in Europe on account of the short crop there, and all owing to the advanced cost of sending the grain forward. Something must be done in order to give to this vast opening country of the West, to which I have referred, and which has been opened by our railways,—something must be done to give better facilities for transporting, and thus for remunerating the agriculturist for the grain raised by him. I hope this subject, which has so often come before your Board, will occupy this year a very important part in your deliberations, so that something may be devised that shall give courage to the people of the western portion of the country, who are looking upon their values at home as sinking, while there is such a demand for their products at the seaboard.

There is another matter which I suppose has attracted the attention of every gentleman present, and that is the peculiar position of those two great products of the country, coal and iron, at the present moment. I remember, some forty years ago, when my partner was dining with one of the large English iron-masters, who was also a member of Parliament,—a very intelligent man, from whom we had bought iron for many years, and from whom we still buy a certain kind,—he was expatiating, as we Yankees are apt to do under such circumstances, upon the peculiar advantages of our country. He went on for some time, and finally the old gentleman said, “Well, that must be a great country of yours, but after all, you lack the great element of wealth that has made England what she is to-day.” “What is that, Sir RICHARD?” “Why, you have no iron in your country.” “Why,” said my partner, “We have more iron in a single county in Pennsylvania than you have in all South Wales.” “Well, that may be,” was the rejoinder, “but if so, why do you come to England to buy it?” I happen to be at the present time in constant correspondence with parties in England, and there has never been a

time in which thoughtful men there were so much at a loss in looking at the future as they are to-day. There is no question that iron and coal have given the life to England, not only by furnishing the supplies for its home manufactures, but for exportation; but the enormous demands for these products, of which nobody could ever have dreamed, growing out of the construction of railroads throughout the world, and of iron bridges, iron buildings, iron ships and iron forts, have compelled people there to look the fact directly in the face, that they have now come to a point where, without vast increase in cost, it is impossible for them to increase their product. During the last summer I visited one of the large iron manufactories in England, and seeing some piles of iron that was peculiar in its appearance, I asked from whence it came, and the gentleman of whom I inquired said: "It is brought from one of my three mines in Spain. I am importing most of my iron from Spain." Contracts have been made within a few weeks for large quantities of iron ore from this country. Another fact, to wit, that some English steamers are now taking out American coal, not only for their homeward, but for their return voyage, gives a value to the coal-fields of this country that we never thought of. My own impression is, that before many years we shall not only meet our own demands, but be able to compete with England in other markets of the world, particularly in the other countries upon this and the southern continent.

But, without detaining you longer, let me again assure you of the great pleasure with which we give you a hearty welcome to this city. (Applause.)

Mr. FRALEY, in behalf of the National Board, made the following reply:

Mr. President:—I am sure that I express the unanimous feeling of this assemblage of merchants when I say to you that we cordially thank you for this eloquent and suggestive address of welcome. It is a great pleasure to me personally, and, I have no doubt, it is equally a pleasure to all my brethren, to be assembled in this great city, in this real centre of the commercial enterprise and wealth of our country. What you have said, sir, crowds my own mind with a host of recollections. It has been my good fortune to have been born in the beginning of this nineteenth century, and to have witnessed the very remarkable progress that this country has made in all that has tended to advance freedom and civilization in the world;

for I am sure, that until the great political institutions of this country were developed, as they were by the Constitution of the United States, in 1787, the world hardly knew what freedom, liberty and equality meant. (Applause.) My recollections, sir, of this city, carry me back nearly half a century, and as I come here periodically, either upon pleasure or upon business, I am literally astounded by the vast progress which this metropolis makes in population, in extent of territory covered by buildings, and in the development of commercial influence. We are here surrounded, sir, by the portraits of distinguished men of the past, and it is well that, as we are about to vacate this hall to enter into councils elsewhere, we carry with us some of the impressions which these portraits are calculated to leave upon our minds. There, sir, is the portrait of a man who conferred, perhaps, the most solid financial and commercial benefits upon this country that it has ever received, and it must be a proud thought for every merchant, that although that man afterwards entered upon the profession of the law, he was educated in a counting-house, I think, in Philadelphia. (Applause.) The foundations upon which the whole financial structure of this country has been built were laid by ALEXANDER HAMILTON, and some of the very processes in the administration of the finances and the keeping of the books of this government have remained unchanged from his day until the present time. Can I say more in regard to what ought to be, and what may be, the influence of the merchants and the men of business upon the character and institutions of this country, than to refer you to the example of such a man!

The great developments that have been made in material wealth within the last fifty years, the great discoveries that have been made in science and the arts, have all tended to produce the results which our friend Mr. DODGE has pictured to us in his address. What should we have been without the steamboat or the locomotive engine? What should we have been without FULTON, born in Pennsylvania, but adopted and elevated to the noblest of human positions by the State of New York? What has come out of the inventions of our own OLIVER EVANS in regard to travelling by steam upon railways, and his invaluable invention of the grain elevator? What if we had not the agency by which the press disseminates now millions of copies where in old times it distributed copies by tens? And having had so much already, and experienced such a vast increase in that which contributes to the welfare of humanity, we can all look forward with hope to the great future which is before us, when this country, now apparently teeming with a population, busy and prosperous in

all directions, shall be the happy heritage of hundreds of millions. To such bodies as this, gentlemen, the consideration of these great interests, and the settlement of questions which may be settled, properly belong; and it is matter of great rejoicing, I think, that we have been able for several consecutive years to bring together a body of representative men, willing to absent themselves for a few days from the scenes of their industries and from their counting-houses, to deliberate upon these questions, and to try to show to the legislators of this country, and to the people of this country, what is our true policy in the further development of the national resources.

I hope, Mr. President, that the members of the National Board of Trade will take from this hall to the place which you have so kindly provided for us, the recollections that cluster around the organization and history of your Chamber, and that when we shall adjourn, New York will feel proud of the National Board of Trade, as I know that we shall feel gloriously proud of the great metropolis of our country. (Loud applause.)

I understand, gentlemen, that it is proposed by our New York friends that we now adjourn to the County Court House, in the City Park.

The delegates then proceeded to the place designated, and re-assembled in the Chamber of the Board of Supervisors, which had been arranged for their accommodation.

The PRESIDENT: *Gentlemen*.—We are taught in the Holy Scriptures that it is a good thing to give thanks, and that with prayer and supplication we should make known our requests unto Almighty God. Recognizing this, I will ask the Rev. Mr. ATTERBURY to invoke the blessing of God upon our labors.

The credentials having been handed in, the Secretary of the Board, Mr. HAMILTON A. HILL, of Boston, read the list of delegates, which as subsequently perfected, was as follows:

Board of Trade, Baltimore.

Samuel P. Thompson,	Robert A. Fisher,
James Carey Coale.	

Corn and Flour Exchange, Baltimore.

I. M. Parr,	Wm. S. Young,
Francis White.	

LIST OF DELEGATES.

7

Board of Trade, Boston.

Joseph S. Ropes,	John W. Candler.
John Cummings,	Ezra Farnsworth.

Commercial Exchange, Boston.

William Chickering,	Quincy A. Vinal.
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Board of Trade, Buffalo.

E. P. Dorr,	George S. Hazard.
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Board of Trade, Chicago.

A. M. Wright,	N. K. Fairbank,
George M. How,	S. H. McCrea,
Alex. Murison,	Chas. J. Davis.

Board of Trade, Cincinnati.

A. T. Goshorn,	William S. Munson,
Augustus Wessel.	

Chamber of Commerce, Cincinnati.

S. Lester Taylor,	C. M. Holloway,
Theodore Cook,	Wm. Henry Davis,
C. W. Rowland,	W. Clifford Neff.

Board of Trade, Detroit.

Richard Hawley,	John S. Patten.
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Chamber of Commerce, Galveston.

George Ball.

Board of Trade, Kansas City.*

James E. Marsh.

Board of Trade, Louisville.

Andrew Graham,	William B. Hamilton,
James M. Duncan.	

Board of Trade, Mobile.

Daniel Wheeler,	R. W. Smith,
A. Murdock.	

Chamber of Commerce, Milwaukee.

William E. Smith,	Edward Sanderson,
J. F. Hill.	

Chamber of Commerce, New Haven.*

Joseph B. Sargent.

*Admitted to membership during the meeting.

NATIONAL BOARD OF TRADE.

Chamber of Commerce, New Orleans.

W. M. Burwell, W. H. Summers.

Chamber of Commerce, New York.

William E. Dodge, James S. T. Stranahan,
George Opdyke, Simeon B. Chittenden.

Importers' and Grocers' Board of Trade, New York.*

Charles E. Hill, George W. Lane.

Board of Trade, Newark.

John C. Johnson, William H. McClave.

Board of Trade, Oswego.

Cheney Ames.

Board of Trade, Providence.

William Grosvenor, Benedict Lapham,
Henry Lippitt.

Board of Trade, Portland.

T. C. Hersey, Chas. H. Haskell,
S. J. Anderson.

Board of Trade, Philadelphia.

T. Morris Perot, John Price Wetherill,
George L. Buzby, Frederick Fraley,
John O. James.

Commercial Exchange, Philadelphia.

C. J. Hoffman, S. L. Ward,
Robert Gray, S. E. Malone.

Chamber of Commerce, Richmond.

Wm. B. Isaacs, Thomas Branch.

Board of Trade, Salem.

Charles A. Ropes, Joseph A. Dalton.

Chamber of Commerce, San Francisco.

George Howes, C. J. Dempster.

Board of Trade, St. Louis.

C. B. Fisk, Wm. H. Maurice,
E. D. Jones.

*Admitted to membership during the meeting.

REPORT OF THE EXECUTIVE COUNCIL.

9

Union Merchants' Exchange, St. Louis.

John J. Mitchell,
James H. Britton,
William E. Burr,

Robert Heinrichshofer,
Levi L. Ashbrook,
George H. Rea.

Board of Trade, Troy.

R. H. Ferguson.

Board of Trade, Wilmington.

E. T. Warner,

Geo. W. Stone.

A quorum being in attendance, the President announced that the first business in order would be the presentation of the annual report of the Executive Council; this was read by Mr. HILL, as follows:

FIFTH ANNUAL REPORT.

In accordance with the requirements of the Constitution, the Executive Council begs to submit its annual report.

The National Board of Trade was organized in 1868, in the city of Philadelphia, and its meetings since have been held in Cincinnati, Richmond, Buffalo and St. Louis. In the opinion of the Council, it is occasion for gratulation that the Board is now assembled in this great city, and that it has here received a cordial welcome from the oldest commercial association on the continent—the Chamber of Commerce of the State of New York—which was founded one hundred and four years ago by JOHN CRUGER, HUGH WALLACE, ELIAS DESBROSSES, ANTHONY VAN DAM and their worthy associates. In the opening sentences of the registry of its proceedings we find the objects and advantages of a Chamber of Commerce stated with a succinctness and a definiteness which, with the experience of more than a century, we could hardly improve upon:

“Mercantile societies have been found very useful in trading cities for promoting and encouraging commerce, supporting industry, adjusting disputes relative to trade and navigation, and procuring such laws and regulations as may be found necessary for the benefit of trade in general.”

This language would need but slight modification, if any, accurately to define the general purposes of the National Board of Trade.

I. In the present report it will be appropriate to refer, in the first place, to some of the subjects upon which the Board has taken action.

These have received the attention of the Council at three meetings held by it during the year, the first, in St. Louis, in December last, while the fourth annual meeting was in progress; the second, at Washington, at the end of February and beginning of March; and the third, in this city, yesterday.

TRADE RELATIONS WITH CANADA.

This subject was discussed at length in the report presented at the opening of the St. Louis meeting, and was then further carefully considered by a large committee, which had the opportunity of a full and friendly conference with an able deputation of the Dominion Board of Trade, in attendance by invitation of the Council. The action subsequently taken by the Board was entirely unanimous, and looked toward a renewal of reciprocal and intimate commercial relations with Canada at an early day. It took the form of two recommendations made to our own Government; first, the appointment of a commission to meet commissioners from the Dominion, to negotiate a new treaty for the re-establishment of reciprocal trade between the United States and Canada; and secondly, the adoption of some basis for this treaty, broader and more comprehensive than the old arrangement, as, for example, providing for absolute freedom of trade between the two countries, so far as all the products and manufactures of both are concerned; for uniform tariff and internal revenue laws in both; for the admission of Dominion built vessels to all the privileges of the foreign and the coastwise trade, and to American registration; for the enlargement and improvement of lines of internal communication on both sides of the frontier, in which the citizens of the two countries are or may be interested; and for the unrestricted use of these lines by either nationality, on equal terms with the other. In the first of these recommendations the Board had the hearty concurrence of the Canadian delegates who came to St. Louis, and of the Dominion Board of Trade as expressed at its annual meeting, held at Ottawa a few days later, when two members of the Council were present by invitation as representatives of the National Board. The people of Canada have from the first made no secret of their desire to return to the freedom of intercourse with us which existed between the years 1855 and 1866, or to enter into such other arrangements as may be mutually agreed upon. It is true, many of them believe that the abrogation by the United States of the old treaty has in many ways proved advantageous to them; that it has thrown them more upon their own resources; that it has led them to send their merchandise through their own territory to

the sea; that it has given an impulse to railway construction in the Dominion, which will result in their possessing a trans-continental line from Nova Scotia to British Columbia, probably within ten years from this time; that it has built up various branches of manufacture on their territory; that it has largely increased their direct commerce with the West Indies and other parts of the globe; and, politically, that its effect was to compact them into a confederacy, and, in fact, to constitute them a nation. Many of these results will enure permanently to their benefit, whatever may take place in the future; for the rest, they understand clearly that they would have more to gain than to lose by the renewal of intimate trade relations with us. Hence, the Dominion Board declared its most cordial willingness to negotiate with the United States, "for the purpose of relieving the trade of the two countries of all restrictions interfering with the legitimate prosecution of trade, in so far as may be found beneficial to the interests of each."

As regards the second recommendation adopted by the National Board, that, namely, which contemplates an arrangement similar to the Zollverein or Customs Union of Germany, a difference of opinion manifested itself both among the Canadian gentlemen who were at the St. Louis meeting, and in the Dominion Board during its sessions at Ottawa. Some thought that it would place the entire fiscal system of Canada under control of the Government at Washington; others, that it would lead to the territorial annexation of Canada to the United States; others, again, that Great Britain would not give her consent to any such arrangement. The apprehension that Canada, as the less populous and wealthy country, might be brought into fiscal subjection under the application of the Zollverein principle, might be allayed by recalling the circumstance that in Germany it was agreed that Prussia should have only one vote in the annual and triennial conventions to assemble for the readjustment of the tariff duties, and for the distribution of the accruing revenues, the same as Bavaria, Wurtemberg, Saxony and Hesse Cassel. Prussia made still further concessions to her less powerful confederates; several of them had no customs frontier to guard against smuggling, yet all were to receive an equal proportion of the revenue collected on goods entering along the general line of the boundary. This is mentioned to illustrate the manner in which a large country may give up to a smaller, in forming an intimate commercial alliance for the benefit of both. On the other points, the Hon. JOHN YOUNG, ex-president of the Dominion Board, and recently elected to Parliament, seems to have had no misgivings; in his speech, as reported in

the Ottawa proceedings, he favored "a large and comprehensive" measure for bringing the two peoples together. "He believed England would have no objection to a Zollverein between Canada and the United States; in fact, we had been told to take any steps which were for our own interest. He could not but think that if the principle of the resolution passed at St. Louis were carried out, or something like it, when the proper time arrived, great advantage would accrue to the Dominion. He was aware that one of the objections to this policy was, that it would end in the annexation of Canada to the United States. He had no such fear; no party in the United States expressed themselves bent on this; and he believed that the United States Government would not only meet us in a cordial spirit, but would join with the British Government in securing our independence; but no one desired annexation."

As the action of the Board at St. Louis in this particular regard was not peremptory, but suggestive and tentative, and as the Dominion Board was as yet unprepared to take precisely the same view, the Council judged it expedient, in addressing its memorial to Congress, to confine itself in general terms to the appointment of a commission to meet a commission from or in behalf of the Dominion, for the negotiation of a treaty on some broad and liberal basis, such as might come to be satisfactory mutually to the contracting parties, leaving all questions of limitation and detail to be settled by them. A memorial in this form was presented to both Houses of Congress, and the Dominion Board sent a memorial of similar purport to the Governor-General of Canada in Council, a short time subsequently. The full action of both Boards was laid before the Department of State at Washington, and the favorable consideration of the subject by the Secretary was invoked. The diplomatic relations of our Government with that of Great Britain at the moment, rendered it undesirable to attempt any immediate steps; but the present time seems altogether opportune for opening the proposed negotiations.

The Council, in its report a year ago, made a brief allusion to the Treaty of Washington, which had been concluded a few months previously, and spoke of it as the leading diplomatic event of the century. Since then the august tribunal of arbitration for which that treaty provided, has held its sessions in Geneva, and has completed the work of adjusting all serious questions of diplomatic difference between Great Britain and the United States. In reference to this arbitrament, an English Cabinet Minister made the remark in a public address a few days since, that its results would bring to the two nations concerned, not peace only, but friendship

also. May we not feel that we have an illustration of this remark, in the presence with us on this occasion of a deputation of Her Majesty's subjects, representing the Dominion Board of Trade, who have come hither upon a mission of peace and good will? The Council is assured that the Board will welcome these gentlemen to its floor and to its deliberations, not as strangers, but as friends; and it believes that such conferences as took place at St. Louis, and as are to be renewed in this city, cannot but tend to hasten and facilitate the negotiation of a new treaty of commercial alliance between the United States and Canada, and the restoration of more than the old relations of amity and intimacy.

Canada stands third in the list of countries and colonies with which the United States have commercial dealings. Great Britain is first, and our transactions with it amount to fifty-one per cent. of our entire foreign trade. The West Indies come next, the proportion of our foreign trade carried on with them being about nine and two-thirds per cent. Then follows the Dominion of Canada, with which our transactions are equal to nearly six per cent. (sixty-six and a half million of dollars in 1871) of the total of our foreign commerce. Germany, France, Brazil, China and Mexico are all lower in the table.

THE SHIPPING INTEREST.

This subject has received the attention of the National Board at each of its annual meetings, and at two of them (Cincinnati, 1868, and Buffalo, 1870,) it was thoroughly discussed. From the first, the distinction which exists between the ship-building and the ship-owning class has been recognized among us, and it has been the aim of the Board to point out remedies suited to the peculiar character and condition of each. At St. Louis, last year, a proposition was carried as an amendment, but failed on its final passage to receive a two-thirds vote, asking for the abatement of all duties upon articles of foreign production imported for use in ship-building. The Board voted, however, to ask Congress to encourage ship-owning under the American flag, by permitting all articles of foreign production needed for repairs and for stores upon vessels engaged in the foreign trade, to be withdrawn from bonded warehouses without the payment of duty. It voted unanimously also, as it had previously done, in favor of the admission to American registration of foreign built tonnage, with the limitation, however, in this instance, that it should be for the purposes of foreign commerce only.

During its session in Washington, the Council embodied the opinion of the Board on this subject in a memorial, which was laid before Congress, and supported it by statements and arguments at hearings which were accorded to it by the Committees on Commerce of the two Houses. Since that time a bill has been enacted, abating the duty on certain articles of foreign production entering into the construction of vessels built in the United States; and this legislation, as the first which has been adopted by Congress for the revival of the tonnage interests of the nation, during the period of their late depression, gives reason for congratulation. The bill as it passed the House of Representatives, proposed to allow ship's stores to be withdrawn from bond free of duty, for consumption at sea; but the Senate threw out the provision to this effect. On the other hand, the Senate inserted a section permitting the return to American registration, during a period of two years, of all vessels transferred to foreign flags for security and defence, while the civil war was in progress; but this amendment was lost, while the bill was in the hands of the Conference Committee; so that the only propositions for assisting in any way the ship-owning class were rejected by the one branch or by the other.

Mr. Senator CORBETT had prepared a bill, suggested in part by members of the Council, and approved, as is believed, by the Committee on Commerce on the part of the Senate, according to the terms of which, the duty was to be abated on materials and stores of foreign production, and foreign built iron ships of not less than two thousand tons were to be allowed registration under the American flag; American built tonnage alienated during the war was also to be allowed to return to the protection and privileges of the flag, during a period of two years. This bill was intended to serve as a compromise between the views and interests of the adverse parties, and was drawn with much care and good judgment. As a fair and liberal measure, framed for the benefit of all concerned, and aiming at the desired result, although not proposing immediately to reach it, it would undoubtedly have been acceptable generally to the business men of the country. Its failure to become a law is to be regretted.

It has long since become apparent that a most serious mistake was made when Congress, immediately after the termination of the war, refused to allow vessels built abroad to be registered under our laws, or even to permit vessels built in the United States, but transferred in the interest of commerce to other flags, while still owned by American citizens, to be restored to the privileges of their birthright. Various influences combined to secure this prohibitive legislation;

the ship-builders supposed that if they could succeed in preventing American merchants from becoming the actual and avowed owners of foreign built tonnage, or of tonnage which had nominally become foreign, they would thus compel them to give orders at home for new ships to supply the place of those which had been sold, destroyed or transferred during the previous three or four years; and Members of Congress, acting as their representatives, governed themselves accordingly. Then, too, many Members of Congress declared themselves to be unwilling that the country in whose ports confederate cruisers had been built, should have the opportunity of supplying our citizens with the ships of which they then stood urgently in need, and which they could not afford to purchase here, while they seemed glad to be able to punish what they regarded as a breach of patriotic duty on the part of those who, under the instinct of self-preservation, and really in the interest of the federal cause, had placed their vessels beyond the reach of those confederate cruisers. In all this we have a striking illustration of the absolute failure in which a policy of selfishness is certain, eventually, to issue, when it opposes itself against the public good; and also, of the danger which lies in legislating upon commercial questions under the influence of prejudice or passion, or in view of any but strictly commercial considerations. For, while the hands of American merchants have been tied by our navigation laws, the merchants of every other country have been free. The tonnage which American citizens have not been allowed to contract for or to buy, has been built nevertheless; and it has been readily purchased by the citizens of other nationalities, who have become the exclusive carriers upon the Atlantic ocean of passengers and mails, and, for the most part, of merchandise also, passing from and to the United States, and who have done this business at an immense and constantly increasing profit.

The unexpected advance in the price of iron and coal which has taken place in Great Britain during the last few months, has increased materially the cost of steamship construction in that country. Captain JOHN CODMAN, an intelligent and trustworthy authority, who has returned from Europe within a week, reports in general terms that a steamship, costing on the Clyde a year ago one hundred thousand pounds, would now cost one hundred and thirty thousand pounds. The advance in the price of iron vessels has given a new impulse to the construction of wooden sailing ships; and with the abatement of duty on foreign products already referred to, the builders of these ships are now in a better condition than for several years past. There is no evidence that the rise in prices on the other

side of the Atlantic has yet produced any marked effect upon ocean steamship construction in this country. The splendid vessels now building by the enterprise of the Pennsylvania Railroad and the citizens of Philadelphia, were undertaken before the present state of things had developed itself. These vessels, it is hoped, will soon be ready to participate in the emoluments of our transatlantic traffic; but there is no immediate prospect of their appearance on the ocean being succeeded by the advent of any other American line.

LIGHT DUES IN GREAT BRITAIN.

At the last meeting of the Board a resolution was adopted, asking the President of the United States to lay before Congress for publication, if the public interest should allow, the correspondence which some years ago passed between the Governments of the United States and Great Britain relating to the dues then and now collected in the latter country from merchant shipping for the support of light-houses and beacons, with a view to renewing the application of our own Government at the proper time for the relief of the shipping interest from these charges, and for the maintenance of the light-house system of Great Britain from the public revenues, in accordance with the policy and practice of the United States, which has lighted its coasts and harbors for the free use of the ships of all nations. This resolution reached the Executive through the Committee on Foreign Relations of the United States Senate, and in compliance with the request of the Board, the correspondence was communicated with a message to the Senate, and appears in Executive Document, No. 57.

The attention of our Government was called to this subject by Mr. ABBOTT LAWRENCE, when he was Ambassador at the Court of St. James, in a despatch to the State Department, dated London, April 26, 1850. In Great Britain, the question of maintaining the light-houses from the public treasury had for many years previously been under discussion. As long ago as 1822 it was considered, with other questions relating to the shipping interest, by a Committee of the House of Commons; later, in 1834, and again in 1845, committees of the same House, under the chairmanship of Mr. JOSEPH HUME, the great commercial, as well as political reformer, reported against the further collection of light dues from merchant vessels. Lord PALMERSTON, then Secretary of State for Foreign Affairs, in the course of the correspondence between Mr. LAWRENCE and himself on the subject, admitted the wisdom and liberality of the policy of the American Government in relation to light-houses, but added, that

the question of adopting a similar policy had not hitherto been considered by Her Majesty's Government with a view to any practical decision. The correspondence terminated in 1852; all the statesmen who took part in it—Mr. LAWRENCE, Mr. CLAYTON, Mr. WEBSTER and Lord PALMERSTON—have passed away, but the light dues still continue, a tax and a burden upon all merchant shipping visiting the ports of Great Britain. Of late, the depression of our tonnage interests has seemed to deprive the question of any special importance to us; while the remarkable prosperity of British ship-owners has rendered them more indifferent to it than they were previously to 1861. But are not these dues, so far as vessels employed in the Atlantic trade are concerned, although they are collected almost entirely upon tonnage other than American, really paid by the American people? They constitute an item, and not an unimportant one, in the cost of bringing our importations and carrying away our exports, of transporting immigrants to our shores, and of carrying our own citizens to and from the United Kingdom. They are an element in determining rates of freight and passage; and we, who have by far the largest interest in the property and persons borne across the Atlantic ocean, although, unfortunately, but little in the tonnage employed in this trade, are directly and deeply concerned in the proposed relief of the traffic from the charge now under consideration. In this view, it is recommended that the subject be again brought to the attention of the Government at Washington, and that it be asked to re-open the correspondence in reference to it with the British Government at the first favorable opportunity. In the course of a debate in the House of Commons in 1856, Lord PALMERSTON said:

“He must confess that he was one of those who thought that, in the abstract, there was a good deal of plausibility in the argument that the expense of these lights ought to be borne by the public, instead of by the shipping interest. Take for analogy on a small scale, the lighting of the streets; we did not call upon the persons who traversed the streets of this great town to pay for their lighting. That expense was paid by the parishes, who stood in the same relation to the lighting of our streets as the nation occupied to that of our coasts. Upon that analogy, he thought that the nation ought to pay the expense of lighting the coast.”

With such acknowledgments on the part of a distinguished British minister, and with two or more reports of Committees of the House of Commons in favor of charging the maintenance of the English lighthouse system upon the public revenues, there is every encouragement for the hope that further representations on the subject by our Government will, in time, secure the desired result. There are some

difficulties in the way, in connection with private parties, who have chartered and vested rights, which, of course, must be purchased and extinguished; but there would seem to be no insuperable obstacle to the success of our diplomacy in this regard.

FREEDOM OF INTERNAL TRADE.

The Board has, again and again, given expression to the opinion, that as among the several States of the Federal Union, and as among all the inhabitants of this country, there should be, in fact, what is claimed to exist in name, absolute freedom of intercourse and interchange; and it has protested against the imposition of any license fee or other local tax charged by a State or a municipality upon a non-resident trader as such, or upon his agent, as being at variance with all sound principles of political economy, as well as contrary to the provisions of the Constitution under which all the people of the land are presumed to live as fellow-citizens. The Board has therefore used its influence, by memorials to legislatures and otherwise, to secure the repeal of all restrictive laws of this nature in the various States where they have been in operation. In the meantime, a test case, *WARD versus* The State of Maryland, had been carried up to the Supreme Court of the United States, and had been argued before that tribunal; and, just prior to the adjournment of the Board at St. Louis last winter, a despatch was received from Washington, announcing the gratifying intelligence that the court had that day decided unanimously, that State laws levying taxes on sales by non-resident traders or commercial travellers, were unconstitutional. The opinion of the court was delivered at length and with much clearness by Mr. Justice CLIFFORD, Mr. Justice BRADLEY concurring in the decision, with some additional remarks in an opinion of his own. These papers were thought by the Council to be so important to the business community, that it ordered them to be printed with an explanatory statement in pamphlet form, and they have been widely circulated.

Mr. Justice BRADLEY took the ground that the law of Maryland, from which an appeal had been taken to Washington, was "in violation of the commercial clause of the Constitution, which confers upon Congress the power to regulate commerce among the several States," and said that it would have been so, "although it had imposed upon residents the same burden for selling goods by sample as was imposed upon non-resident traders." It was, in his view, a duty upon importations from one State to another under the name

of a tax, and he dissented from any expression in the opinion of the court which in any way implied that "such a burden, whether in the shape of a tax or a penalty, if made equally upon residents and non-residents, would be constitutional."

These opinions have been promulgated by the Council, in order that merchants in all parts of the country might have a clear understanding of their rights, as declared by the Supreme Court, and that they might be prepared with the necessary weapons to protect themselves, should any State or municipality still undertake to enforce the payment of taxes by commercial travellers or non-resident traders.

COMMERCIAL STATISTICS.

One of the objects for which the Board was formed was the compilation of statistics, and this has been systematically attempted during the last two years. The Bureau of Statistics at Washington confines its attention to the foreign commerce of the country, and no effort has ever been made to tabulate our domestic trade, until the issue of monthly tables was commenced by this Board. These tables aim to show the aggregate of receipts, shipments, and stocks on hand of leading articles, at all the important commercial centres; the information is derived in part from the local Boards and Chambers, but largely from other sources. They might be made more full and therefore more valuable, if all the local associations should supply complete returns regularly and promptly. Only about one-half of the constituent bodies send any returns whatever, and many of these are partial and incomplete. From the nature of the case, the publication of these tables, embracing the statistics of from twenty to thirty cities, San Francisco among the number, cannot take place as early in the month as that of the strictly local reports of particular cities; constant pains have been taken, however, to bring them out as early as possible, and with the further coöperation of the local bodies, there can still be a gain in this respect over what has already been attained. As it is, the tables are often sent to the post-office on the day succeeding the receipt of the last and latest of the returns which come to hand for them.

At the beginning of the present year, a table was prepared and published, exhibiting, so far as it was practicable to obtain the figures, the movement of the domestic commerce of the country in 1871. This was not a summary of the monthly statements, but an independent tabulation; it gave returns for twenty-four cities, and if it could have included as many more, as with the active assistance of the

various cities it might have done, its value would have been very great. It is the earnest hope of the Council that at least local pride, if no higher or broader consideration, will for the future induce every commercial association in the United States to contribute its quota of information to the monthly, and especially to the annual statistical publications of the Board. It is exceedingly important, that as the centennial anniversary of the nation approaches, and when it shall arrive, we be prepared to show, first in quantities, and then in estimated values, the volume and extent of our internal commerce, and to intelligently compare this with the statistics of our foreign trade. To institute this comparison, we shall have to depend entirely upon ourselves. The National Government, as has been remarked, makes no attempt to compile the returns of domestic trade ; but its officials will highly appreciate, as they already profess to do, whatever this Board may perform in this department. The tables hitherto published are conceded to be imperfect and altogether experimental ; they fairly indicate, however, what may be done ; and with the positive aid of the Secretaries of all the Boards of Trade, and by the expenditure of a liberal but not a large sum of money, to remunerate a competent statistician for his entire time, a series of statistical publications might be undertaken by the Board, which would be exceedingly valuable, both for commercial and for legislative purposes.

DIRECT IMPORTATIONS TO THE INTERIOR, AND OTHER QUESTIONS.

During the session of the Council at Washington, a memorial was prepared and presented to Congress, based upon the report of a Committee appointed at St. Louis, to consider in what particulars the Act of July 14, 1870, should be amended, so as to carry its purposes more completely into effect, and to afford every proper facility to importers in interior cities. The Board had been largely influential in securing the passage of this act, and its desire has been to make its provisions as perfect as possible. At the hearings before the Committees on Commerce of the two Houses, already referred to, the changes in the law proposed at St. Louis and pointed out in the memorial were advocated, and it is hoped that they will all be favorably acted upon at the approaching session of Congress. At those hearings also, the views of the Board upon other questions of national concern were defined and explained. These may be stated in brief, as follows: that a return to specie payments is for the best interest of the country, and that to this end a gradual and steady contraction of the currency is necessary ; that the liquidation of the public debt should not be too rapid, and that

an onerous system of taxation, imposed for the purpose of premature and forced payment of the debt, retards trade and industry; that the extreme rigor of our navigation laws should be abated, as already explained; that the tariff should be thoroughly revised, so as to check monopoly and encourage a healthy competition in trade and manufactures, to facilitate the mutually profitable exchange of products between ourselves and other nations, and to protect native industry by cheapening the necessities and comforts of life to the masses of the people; that a sanitary board of appeal should be established to protect our citizens and our foreign commerce from the irresponsible control of local quarantine officers; that the necessary laws should be enacted, to give practical effect to that part of the treaty of Washington which relates to the fisheries; and that a new department of the General Government should be established, to be known as the Department of Commerce, to have supervision over the great interests of transportation and of domestic and foreign trade. On all these questions, the members of the Council were listened to by Senators and Representatives with respectful attention and with apparent interest; the representative and independent character of the Board appeared to be recognized, and satisfactory results will manifest themselves in due time. The Board can hardly expect that its various recommendations will be immediately and avowedly accepted by Congress; but there can be no question that the effect of the annual winter session of the Council, now held regularly at the seat of government, will be to bring members of Congress to a better understanding of the feelings and wishes of business men in relation to questions with which they may be supposed to be familiar, and in which they certainly are immediately and immensely concerned, and will lead ultimately to the moulding and shaping of all our commercial legislation under the pressure of experienced and enlightened commercial opinion, whether finding expression through this organization or in some other way.

II. In the second place, the Council would ask attention to a few considerations in connection with some of the subjects which appear on the programme for the present meeting, as introductory to the discussions which will take place in reference to them.

IMMIGRATION.

It might have been supposed that the tide of population setting towards the United States from the old world could not longer flow in as full volume as during the last quarter of a century; but it has

become apparent, that although from time to time there may be changes in the source of supply, and fluctuations in the force of the stream, the movement will continue to be a most important one, and deserving of careful study in all its aspects. On this occasion we have to do with its economic bearings only.

The following table prepared by Dr. EDWARD JARVIS, President of the American Statistical Association, shows the arrivals of foreign immigrants by decades, from 1790 to 1870:

	<i>Period.</i>	<i>Immigrants.</i>
December 31, 1790, to December 31, 1800,	. .	50,000
January 1, 1801, " " 31, 1810,	. .	70,000
" 1, 1811, " " 31, 1820,	. .	114,000
" 1, 1821, " " 31, 1830,	. .	200,000
" 1, 1831, " " 31, 1840,	. .	682,112
" 1, 1841, " May 31, 1850,	. .	1,711,161
June 1, 1850, " " 31, 1860,	. .	2,766,495
" 1, 1860, " " 31, 1870,	. .	2,424,390
		<hr/> 8,018,158

The number of immigrants reported by the Bureau of Statistics for the year ended June 30, 1871, was three hundred and twenty-one thousand three hundred and fifty. Although exceeded in each of the years 1866, 1869 and 1870, this was considerably above the annual average of the decade 1860 to 1870.

According to the census of 1870, there were five and a half million foreigners living in the United States on the first of January of that year, equal to one-sixth of the total white population. Dr. JARVIS estimates that these persons, with their families born here, parents and children, numbered about nine and three-quarter millions, and that, adding to these the grandchildren of the immigrants of the forty years, 1790—1830, who came early enough for their children to be born here, grow to maturity and become heads of families, the whole will slightly exceed ten and a half millions. This shows what immigration has done for the population of the country, numerically.

Mr. FREDERIC KAPP, in his paper on Immigration, read before the Social Science Association in 1869, estimated that each immigrant passenger arriving in New York brought with him on the average, one hundred dollars in money, and wearing apparel, tools, watches and books worth half as much more; and, in the expectation that the arrivals at the port of New York for the year 1869 would be about two hundred and fifty thousand, he gave it as his opinion that the amount added to the national wealth through that city alone would

not fall short of thirty-seven and a half millions of dollars. "But," he adds, "large as this sum is, it is small and insignificant in comparison with the hundreds of millions which have been and will be produced yearly by the labor of immigrants."

What the value of the individual is when his industry is capitalized is differently estimated by different statisticians. Mr. KAPP believes it to be eleven hundred and twenty-five dollars, and he adduces apparently ample proof in support of his position. In the paper already referred to, he says :

"The number of immigrants who have arrived at the port of New York from May 5, 1847, to January 1, 1869, is no less than four million, thirty-eight thousand, nine hundred and ninety-one. Adding to the capital value of one thousand one hundred and twenty-five dollars represented by every immigrant, one hundred and fifty dollars a head for the average value of personal property brought, as I have shown, by each, we find that immigration increased the national wealth in the stated period by more than five billions of dollars, or more than twice as much as the present amount of the national debt. The total immigration into the United States being now at the rate of three hundred thousand souls a year, the country gains nearly four hundred millions of dollars annually, or more than one million a day."

Dr. EDWARD YOUNG, Director of the Bureau of Statistics at Washington, estimates the value of the capitalized labor of the immigrant at only eight hundred dollars. Adding to this a hundred and fifty dollars to represent the money and other personal property which he brings with him, we have on an immigration of three hundred thousand, a gain of two hundred and eighty-five millions a year to the national wealth and resources.

No one will be disposed to question the importance of protecting and promoting the great interest of immigration, which, according to Mr. KAPP, has enabled this country to anticipate its natural growth by about forty years. Its close relations to general business is made apparent, when it is shown that the augmentation of imports, exports, tonnage and revenues has uniformly been most rapid during the periods of the largest immigration.

There is a humane side to the question, nor is this altogether separate from the economic view. The character of the vessels by which these people come to our shores, the kind of treatment they receive on the voyage and on debarkation, the degree of protection in person and property which they enjoy in the seaboard cities and on the way to their homes in the interior, and the disposition and behaviour of the various railway transportation lines toward them, these and other

related matters, while demanding the inquiry of the philanthropist, no less deserve the investigation of the political economist and the merchant. The Council does not propose to refer to the condition of the immigrant on the voyage, on his arrival, or while in transit to the West, or to intimate whether further legislation, and if so, what, is necessary on the part of particular States or at Washington; nor will it seek to determine at what precise point federal responsibility and intervention should cease and State authority and protection begin. All this will doubtless be brought out in the course of the debate which is shortly to ensue, and it is the sincere hope of the Council that the Board will be able to indicate with unanimity the true policy which should be adopted in reference to the strangers arriving among us every year by hundreds of thousands, who are soon to become our fellow-citizens, and with whose fortunes the future of our country in its further material and moral development is to be indissolubly joined.

INTER-STATE TRANSPORTATION.

This question, in one or another form, has appeared upon every programme since the organization of the Board; it comes up almost constantly in the meetings of all the local Boards and Chambers, and its importance is continually making itself felt by every business man. At the same time, in the progress of events, the problems which this question presents are felt to be more and more difficult of solution. The country, considering its vast extent, is remarkably well supplied with railways. At the close of 1871, sixty thousand eight hundred and fifty-two miles of railroad were in operation, the increase for the year having been seven thousand four hundred and fifty-three, and during the present year at least as many more as this will be opened for traffic. Since the termination of the civil war in 1865, twenty-seven thousand miles, equal to the total railway mileage of the country in 1858, have been constructed. But rapidly as this work has been carried on, it has failed to keep pace with the marvellous development of the national resources which has been going forward during the last few years. We seem to need all the railways which have been, or are likely immediately to be built; and we need, also, all the facilities which our natural and artificial water-ways can be made to supply.

But it is not so much railroad lines of which the country now stands urgently in need, as railroad lines conducted judiciously and wisely, in the interest of the people and with a sense of responsibility

to them, and not exclusively for the benefit of stockholders and stock jobbers. An existing route, improved in its working capacity and efficiency, would be worth as much as a new one created, and would be available to the public very much sooner. This, then, is the present duty of railway managers, to make the lines now completed as useful as possible in supplying the needs of the community at large, producers and consumers, farmers and manufacturers, the West and the East. Very few of our railroad lines can be said to be all that they ought to be, in either their equipment or their management. Many of them are deficient in rolling stock; there are various inequalities among them, in rates of freight and differences in classification, which are unjust and hurtful; on most, if not all of them, there is too much uncertainty as to the length of time which will be required for the transportation of merchandise, and in reference to certain articles, grain, for example, as to the exact quantity to be delivered; local traffic, especially at points where there is little or no competition, is too often neglected for the sake of the through business; and, in a word, the general policy of railway directors and officials has too slight an appreciation of and regard for the wants and wishes of the people. As a consequence, our internal trade is oftentimes greatly embarrassed and seriously hindered; and in the movement especially of the crops, during the autumn of every year, there are delays which, in connection with increased rates of freight, result in almost incalculable loss.

A recent writer, a western man, in the *Atlantic Monthly*, says:

"In the meantime, the New England artisan finds that he can exchange a yard of calico for three loaves of bread in the Valley of the Mississippi; but only one of them reaches the hungry mouths of his family, for the two other loaves have been given away to the freight monopolists, a large proportion of whom are capitalists and residents of other countries. The western farmer who raised the wheat cannot get the full value of his labor, because he has to raise ten bushels of wheat to the acre for the carriers, before he can get the European prices of food for the remainder of his crop.

"Descending to dry facts for a correct exhibit of our commercial evils, we find that when millions of people in the manufacturing districts of Europe and America could not get food enough for their dependent families, corn was burned, as the cheapest available fuel, by farmers on our western prairies, whose clothing was scant because they could not exchange food for raiment, on account of the cost of transportation. As recently as the last autumn, many millions of bushels of coal remained in flatboats near the confluence of the Monongahela and Alleghany rivers, during a prolonged drouth, while the manufacturing establishments and people of the States bordering on the Ohio river were facing a long and severe winter, with a short supply of coal for business and household purposes."

The same writer says further :

“ The western farmer is not so much alarmed at the few extra shillings he has to pay on a sack or barrel of salt, as he is at the more crushing fact that he is really farming on shares ; and that after paying for the soil, and doing all the work, he must divide his crops, and give the transportationists and middle-men the greater portion of the products of his farm.”

The Council will not attempt to examine, within the compass of this report, the various remedies which have been suggested for the state of things thus described ; but it welcomes the renewed discussion of the question by the Board, and it would commend it to the continued consideration of the constituent bodies.

It is interesting to observe, that the business men of Great Britain are just now no less deeply moved than ourselves on the subject of railway management, and that they are complaining bitterly of the treatment they receive at the hands of railway companies, particularly where there is no competition. They are also greatly alarmed at the progress which consolidation or amalgamation is making among the large companies, and a parliamentary commission is engaged in considering in what way this tendency can be checked or controlled. Some of the safeguards which have been proposed in connection with the process of amalgamation of railway lines now going on, are the charging of equal rates for equal distances, except where there is a competing water route ; a revision of the maximum rates and tolls, which were fixed in the infancy of the railway system ; the separation of terminal charges from mileage rates in making settlements ; the granting of running powers to railway companies over each other's lines, so far as is consistent with safety, at rates to be fixed much below the present parliamentary limit ; the adoption of an uniform classification ; the publication of rates charged ; and the enlargement of the powers of the Board of Trade, to enable it to deal with violations of the law, or unjust discriminations against particular firms or individuals.

The subject of railway management can be more easily dealt with in England than in the United States, because, in the former country, Parliament has a recognized authority over all the companies, and can regulate their charges ; while here, the various companies chartered by the different State legislatures, are subject only, or at least have hitherto been regarded as subject only, to State legislation. In a recent debate in the House of Commons, the Marquis of HARTINGTON, Secretary for Ireland, intimated very plainly that the Government was ready, at the proper time, to bring in a bill for the acquisition of

all the railways of that country. It is by no means improbable, that such a measure may be carried within a few years; and although there are arguments in favor of the ownership by the State of the Irish lines, which do not apply to those of England and Scotland, it is not unlikely that if the experiment should be successful in the one case, it will, sooner or later, be attempted in the other. Should such a course be taken, however, in the United Kingdom, it would furnish no precedent for us; the extent of our country, and the prerogatives of the several States, would interpose obstacles in the way of a federal ownership of all the railroads in the United States, vastly greater than any that could present themselves in England, should governmental ownership and management be attempted there.

LOCAL CHARGES ON SHIPPING.

Somewhat corresponding to the fees which under various pretexts have been exacted in many of the States from travelling merchants coming within their precincts, are the charges which at various ports on the coast and on the rivers are collected from the vessels trading to them. These charges vary in name, character and amount, but they are always an annoyance and a grievance, and, as is believed, are utterly at variance with the spirit of the Constitution. The two principles evidently pervading all the clauses of the Constitution relating to trade and commerce are, first, that there shall be absolute freedom of intercourse by land and by water between all parts of the Union; and, secondly, that Congress shall control and regulate all charges and imposts levied, whether upon vessels or upon their cargoes, arriving from abroad. Strict and universal obedience to these principles throughout the United States, is indispensable to the largest liberty of our people, and to the best prosperity of our commerce.

We have secured for ourselves and for each other, substantial freedom of intercourse by land; we now want equal freedom upon all our coastwise and river routes. There should seem to be no good reason why vessels employed in the internal trade of the country may not arrive and depart with as little restraint upon their movements as railway trains, which, as we know, often pass through several States, and sometimes even cross the continent from ocean to ocean, without change, and which are never subject to the surveillance of the local authorities whose territory they visit or traverse. The prosperity of our coastwise and river traffic is necessary to the completeness of our general transportation facilities, and especially to the maintenance of a healthful competition with the land routes; and it should therefore be relieved from all exceptional and oppressive burdens. The vessels

which carry on this trade are usually small; so that, although the port charge or other fee complained of may not be large in itself, it is large to them, and its subtraction from their earnings is felt severely. But the smallness of a tax is no reason, in any case, why it should be borne with, if the tax be an illegal one. As Mr. Justice WYLIE said, in an opinion delivered in the Supreme Court of the District of Columbia, on an appeal from the enforcement of a harbor fee of fifty cents upon a sloop of nine tons, by an inferior court:

"The fact that the tonnage fee on all vessels coming to this port is insignificant in any one instance, and is called a harbor fee, can have no influence whatever on the decision of the question. The tax is substantially a duty, notwithstanding it is called by a different name; and if it is small at present, and the right be sustained by the court, it may be increased hereafter to an extent regulated only by the discretion of the authorities of the city. The judgment of the justice must be reversed."

By the Act of August 7, 1789, Congress authorized the several States to regulate the pilotage service for themselves, but this policy has not worked well. A variety of systems prevails in the different States, causing constant embarrassment to shipmasters. In many instances the fees collected are excessive and burdensome; while the compulsory charge exacted from vessels which do not require and never avail themselves of the services of licensed pilots, is felt to be oppressive and unjust.

The Congressional Committee of 1869, on the decline of American shipping interests, of which the Hon. JOHN LYNCH, of Portland, was Chairman, saw the importance of relieving tonnage from all charges such as those now referred to, harbor fees, anchorage, compulsory pilotage, and the like; and one of the measures recommended by it was the passage of a law forbidding the further collection by any State or municipality of these or similar local taxes. This subject appears upon the present programme at the instance of one of the constituent bodies, and the Council need make no further reference to it.

MARKET REPORTS.

At the annual meeting held in Richmond, in 1869, a Committee of the Board to which had been referred two propositions emanating from the Cincinnati Chamber of Commerce on the general subject of trade statistics and reports, recommended "that the attention of the constituent bodies be directed to the question of the Associated Press reports, and that they be requested to consider the propriety of an

effort to organize a system of reports for the press of the respective cities in which they are located." This recommendation was agreed to, and Messrs. JOHN A. GANO, of Cincinnati, WILEY M. EGAN, of Chicago, and S. D. HARRISON, of New York, were appointed a Committee to arrange the preliminary details.

In Circular No. 10, issued from the Secretary's office, December 22, 1869, the subject of market reports was thus referred to :

" With regard to the exchange of reports, the Board has instructed the Secretary to urge upon the members the great importance of the subject, and to explain that the purpose is to promote the common interest by giving to the commercial bodies the control and direction of the work of reporting the markets of the country, and the movement from day to day of the leading articles produced, for the use interchangeably of the various bodies. In this way only, it is believed, can accuracy and completeness be secured, and such information gathered as may safely be relied upon. Our merchants have it in their power to regulate this whole matter, in which they are so deeply concerned, in a manner which will adequately meet the requirements of general business ; and it is hoped that through the commercial organizations they will co-operate to that end."

At the Buffalo meeting in 1870, this subject was referred to at length in the annual report of the Executive Council, and an extract was quoted from an able paper prepared by the Cincinnati Chamber of Commerce, in which the advantages of placing the compilation and publication of daily market reports under the supervision of Commercial Exchanges, were set forth with much distinctness and force. The Committee appointed the year previously also presented a report, to be found in the Buffalo Proceedings, (p. 318,) and followed it at the next annual meeting with another. (See St. Louis Proceedings, p. 316.) The attention of the Board to these papers is renewedly asked at the present time ; they contain a thorough discussion of the whole question, and they show that while the Committee was very much in earnest in the matter, the associated bodies did not manifest that degree of interest which was essential for the accomplishment of practical results.

During the last summer, the subject has again been brought to the notice of the commercial associations by the Committee on Information and Statistics of the New York Produce Exchange, in a circular, in which it is set forth that the transactions of the commercial world are carried on more and more by means of the electric telegraph, and that the time has fully come for improving the character of the quotations which pass daily through the Atlantic and other submarine cables, and over the telegraphic wires of this continent. The circular says : " There has been no improvement in this respect for many years,

while in other matters the world has moved so rapidly," and it gives illustrations of the very unsatisfactory nature of the despatches which are now transmitted. It further says: "The very Exchanges where the business of the world is transacted, and where prices are established, instead of furnishing reliable and official quotations to each other, are actually dependent upon and under tribute to the Commercial News Association for such scanty news as it may choose to furnish."

Whether the New York Produce Exchange has succeeded in obtaining any promise of co-operation from the commercial organizations, the Council is not advised; but the renewed presentation of the subject before the business men of the country can hardly fail to do good. The Boston Commercial Exchange has placed it upon the programme for the present meeting, and in order to save time and to facilitate its consideration, it is recommended by the Council, that as soon as the organization of the Board shall have been completed, a committee be appointed, representing the Commercial Exchanges belonging to this Board and other constituent members especially interested, to consider the subject, and to report upon it when it shall be reached in its order.

III. Before closing this report, the Executive Council desires to call the attention of the delegates present to the relations which the National Board of Trade and the business men of the country sustain to legislation and to the National Government.

The Board has passed judgment on more than one question having reference to the administration of public affairs. It is precluded from interference in any form with partisan politics by the provisions of its Constitution, and no less by the necessities of the case, embracing as it does within its organization all shades of so-called political opinion. It has believed, however, that it has a right, and that it is bound to favor and to recommend a given course of procedure which is likely to lead to improved efficiency or to increased economy, whether in legislation or in administration, and upon which thoughtful and patriotic men without distinction of party are generally agreed. Hence the Board voted two years ago, by a large majority, to memorialize Congress in favor of the unconditional abolition of the franking privilege, in the belief that this measure, if carried into effect, would greatly promote the usefulness of the Post Office Department, while both directly and indirectly it would save a vast amount of money to the country. It also, on two occasions, expressed itself unanimously in favor of civil service reform, not committing itself to any particular plan, nor conceding that competitive examinations,

however useful, will accomplish all that is sometimes claimed for them; but believing that the various departments and bureaux in the General Government would perform their functions more satisfactorily if all but the highest officials were selected solely with reference to competency, and were retained and advanced in the public service according to their merits, and without regard to party affiliations. Further, the Board has again and again urged upon the General Government the desirableness of establishing a new department, to have supervision of the commercial interests of the country, and to be administered by a representative commercial man. On the present programme a very interesting question of political science has been entered by a constituent member, the representation of minorities in legislative bodies, as a check to the abuse of power, and sometimes even tyranny, suffered at the hands of an overbearing majority. The question, as the Council understands it, is not whether majorities shall govern, but whether the voice of the majority alone is to be regarded. By the occasional expression of opinions on subjects such as these, the influence of the Board will be given positively in favor of a high standard of excellence, and of effectiveness in all branches and divisions of the public service.

JOHN DE WITT, in his *Political Maxims of the State of Holland*, tells us that it was recognized as a fixed principle in the constitutional Government of that country, that the great interests of commerce could only be adequately represented by commercial men. According to that eminent authority, merchants were not only eligible to every trust and station, but there was hardly any which many of them were not always and on system called upon to fill. And Sir JOSIAH CHILD, a shrewd English merchant of the eighteenth century, on stating the leading causes to which the great prosperity of the Dutch should be ascribed, places first the fact, "that in their greatest councils of state and war they have trading merchants, who have not only the theoretical knowledge, but the practical experience of trade."

It is to be hoped that in the United States, as time goes on, a larger number of experienced and influential business men will be selected to fill those positions in the Government, at home and abroad, in which their commercial knowledge can be made available for the advancement of the varied industrial pursuits of the nation, and that such men will, to a greater extent than heretofore, participate in the proceedings of the national legislature. Every leading class in the community should be fairly represented in the halls of Congress; and surely it is not asking too much to insist that merchants, as such, and not as partisans, should be sent thither, in number

somewhat proportionate to the greatness of the interests with which they are identified.

So far as this Board is concerned, however, its influence upon legislation is to be exerted partly by assisting in the formation and education of public opinion, through its meetings and publications, through the local organizations and through the press; and partly by laying before Congress, as intelligently and fully as may be, and with absolute fairness and disinterestedness, the facts and the arguments connected with and bearing upon the various financial and commercial issues of the day. For the first, the work of the Board, although eminently practical, has to do largely with ideas; its province is to suggest, to awaken attention, and to cause discussion,—to set men to thinking, and then to wait, till “by degrees to fulness wrought, the strength of some diffusive thought, hath time and space to work and spread.” For the second, it is believed that many members of Congress are beginning to see that the value to themselves of such a Board as this, in giving information and in indicating the drift of public sentiment upon commercial questions, may become very great. Mr. ARTHUR HELPS, in his *Thoughts on Government*, says, that he who knows how to make good use of the opinions and advice of others, shows forth one of the greatest merits which a statesman can possess.

“A statesman,” he continues, “cannot see and listen to the whole world; but by making use of councils he may attain to something of a cosmopolitan view, or, at any rate, may learn the views, wishes and opinions of large bodies of his fellow-men. If he is very skilful, he may combine the advantages of varied thought and conjoint action, with somewhat of the singleness of purpose, and the directness of executive action, which are the property of an individual ruler.”

The Board has good ground for encouragement that its endeavors, thus far, have not been altogether in vain. It has witnessed the accomplishment of some of its desires; and it has evidence that other measures which it has regarded as of great importance, will in due time receive the consideration which they deserve. Meanwhile its method of procedure should be, to press a few questions vigorously and persistently, rather than to cover the whole ground of commercial reform at once. The late Sir ROBERT PEEL used to say, that so far as his experience went, the House of Commons could attend to only one great question at a time. Perhaps the same thing is true of the American Congress.

In conclusion, the Council would again congratulate the Board upon the pleasant circumstances under which it has assembled; and

it would express the hope, that the action to be taken upon the several topics to come under consideration at the present meeting, will manifest anew the integrity of purpose of those who constitute its membership, and will contribute something to the further advancement and the permanent maintenance of the national prosperity.

Respectfully submitted by vote of the Council.

New York, October 14, 1872.

The Treasurer's report, with the certification of Messrs. S. L. TAYLOR and JOHN W. CANDLER, auditors, that it had been examined with the vouchers and found correct, was presented, as follows:

—Dr.—

To balance from old account,	\$1,257.36
Expenses for the year:	
Expenses connected with the annual meeting at St. Louis, and the meeting of the Council at Washington, . . .	\$282.06
Reporting and printing the annual report, (2,000 copies,)	2,070.62
Monthly and annual statistical tables,	886.39
Miscellaneous printing, (pamphlets and circulars,)	260.24
Office expenses, including salary, postages and stationery,	3,450.58
	<hr/> 6,949.89
	<hr/> \$8,207.25

—Cr.—

By sundry collections for 1871,	\$450.00
" " " 1872,	5,173.00
Suspense account for sundry dues believed to be good,	960.00*
Balance to new account,	1,624.25
	<hr/> \$8,207.25

*More than half this sum was paid to the Treasurer during the annual meeting.

On motion of Mr. HAZARD of Buffalo, Messrs. GEO. WILSON, Secretary of the Chamber of Commerce of the State of New York, and R. S. SWORDS, Secretary of the NEWARK (N. J.) Board of Trade, were appointed assistant secretaries.

The PRESIDENT: *Gentlemen*.—The next business in order is the election of a President for the ensuing year, and I will call upon the Hon. GEO. OPDYKE of New York to take the chair.

Mr. FISK, of St. Louis: *Mr. Chairman*.—At the session of this Board held in the city of St. Louis, last winter, our own delegation coveted the honor of placing in nomination the presiding officer; but New York, with its usual promptness in all commercial matters, first obtained the floor, and made the nomination. In behalf of the St. Louis Board of Trade, I propose to take sweet revenge on this occasion, by at once nominating for the Presidency the Hon. FREDERICK FRALEY, whose able and impartial discharge of his duties, and courteous bearing to us during all these years, entitle him to an unanimous and hearty re-election.

The nomination was seconded by Mr. BRANCH of Richmond.

The PRESIDENT, *pro tem.*: Other nominations are in order, but the Chair assumes, from the remarks of the gentleman from St. Louis, and from other indications of the state of feeling among us, that there are none to be made. Without waiting further, I will appoint as tellers Mr. WM. E. SMITH of Milwaukee, and Mr. WM. B. ISAACS of Richmond.

The Board proceeded to ballot, and the result was announced as follows:

Whole number of votes cast, 65; of which 63 were for Mr. FREDERICK FRALEY of Philadelphia, and one each for Mr. C. B. FISK of St. Louis, and Mr. WM. M. BURWELL of New Orleans.

The Chair declared that Mr. FRALEY had been re-elected President of the Board for the ensuing year, and requested Mr. FISK of St. Louis and Mr. BRANCH of Richmond to conduct the President elect to the chair.

The Committee having discharged its duty, Mr. FISK said:

Gentlemen of the National Board of Trade,—I have the honor of presenting to you your re-elected President, the Hon. FREDERICK FRALEY. (Loud applause.)

The PRESIDENT : *Gentlemen* :—When I look upon this Board, and recognize among those present many with whom I have served since the organization of the body, in its deliberations, and with several of whom my acquaintanceship dates back to the year 1865, when we had the pleasure of meeting in the Commercial Convention at Detroit, and take cognizance of the kind partiality with which they have contributed to my renewed honor ; and when I look again, and observe here an infusion of new members of this Board, who, relying, I suppose, upon the flattering testimonials of my other friends, have to-day cast their votes for me for President : I feel that I am utterly unable to express, as I ought to express, my thanks for this expression of your distinguished consideration. I have felt, year by year, although your kind partialities have overlooked my defects, how far below the true standard are my qualifications for the position of President of the National Board. I have witnessed, in the possession of many members of this body, a higher title to distinction in commercial knowledge and enlarged experience than I can claim, and yet, year after year, I have been the recipient of this honor. The time has surely almost come when you should cast this honorable mantle upon some other shoulders ; but I accept this renewed tribute of your respect with a profound sense of the obligations it confers upon me to strive in every way to discharge my duties impartially as a presiding officer, and to further, by all the means in my power, by whatever of personal knowledge I possess, and by the devotion of personal service, the success and welfare of this Board.

We do not occupy any insignificant position in the public estimation. We have shown, I think, by our works, what the great objects of this Board are ; we have separated ourselves from purely sectional preferences, and have looked out upon the broad field of national objects and of topics of universal concern. While we have differed in our discussions, while we have brought out every shade of opinion upon the many questions that have been debated among us, yet, when we have come to the final conclusion, although we have continued to doubt and to differ as to the particulars of what may have been said or done, we have all been willing to present to the legislatures of the country, both State and national, the results at which we have arrived as worthy of their consideration, and to leave them, with the arguments for and against, which have been urged in this Board, to the final test which those to whom the legislation of

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the country is entrusted, only can apply. What we have accomplished in the past, I think, admonishes us to persevere in the future, and to try to include those questions of general interest which ought to attract the attention of the National Board, calmly and appropriately weighing all that may be urged in favor of or against them, and then coming forward with our conclusions and asking the great public to examine our work, and to pass the final judgment which the great public only can pass.

I am very glad, gentlemen, to call your attention to the presence of a body of distinguished gentlemen from the Dominion of Canada, who are here in furtherance of those principles of commercial brotherhood which were enunciated in 1865 at Detroit, which were renewed in June, 1871, in the city of Boston, at a meeting of the Executive Council, and which assumed a more formal and official shape at the meeting of the National Board at St. Louis. We there had an opportunity of fraternally considering questions of great interest to both the nationalities of the English speaking race which dwell upon this continent, and we had the pleasure then of finding, that although we might differ in details as to what was best to be done for the common interest, yet there was a willingness to come together and to examine, consult and reflect. In furtherance of those friendly relations, two members of our Board went to Ottawa last winter, and attended the meeting of the Dominion Board of Trade there; they were received in a manner highly flattering to them and to us; and now, as a reciprocation of that, and in accordance with an invitation which I cordially extended to them, as President of this body, to be present on this occasion, I have the honor to indicate to you, that there is a deputation present, and to invite them to take their seats in the hall, which the kindness of our friends of New York has allotted to them, confident that some member of this body will forthwith offer a resolution admitting them to the privileges of the floor, and to a participation in the debates of this body. I would further suggest, that the Board, at the proper time, pass a resolution authorizing the appointment of a committee to confer with these gentlemen upon the objects which they have at heart, and which we also have at heart, with leave to report at any time during the session of this Board.

Again thanking you, gentlemen, for the unanimous expression of your confidence in me as your presiding officer, I take my seat as President, and shall endeavor faithfully to discharge my duties. (Applause.)

Mr. HAZARD, of Buffalo : I move that the delegates from the Dominion Board of Trade be cordially invited to take seats in this house and to participate in the debates. I do it, sir, with great pleasure, from the fact that I was one of the delegates who went to Ottawa last winter, and I can assure you we were received there with the greatest courtesy. I am very glad that this Board has an opportunity to return, in some degree, the pleasant courtesies which your delegation received at the hands of the Dominion Board.

The motion was seconded by several gentlemen and passed unanimously.

The President read the names of the representatives from the Executive Council of the Dominion Board of Trade, as follows :

Mr. WM. MCGIVERIN, of Hamilton, President of the Board ; the Hon. JOHN YOUNG, of Montreal ; Mr. L. E. MORIN, of Montreal ; Mr. A. T. WOOD, of Hamilton ; Mr. T. H. GRANT, of Quebec ; and Mr. WM. J. B. PATTERSON, of Montreal, Acting Secretary of the Board.

The PRESIDENT : *Gentlemen* :—It gives me great pleasure to present this honorable delegation to you, and particularly to present to you the Hon. JOHN YOUNG, who has been elected, I believe, chairman of the delegation, and who will present their salutations to us.

Mr. YOUNG, of Montreal : *Mr. President and Gentlemen of the National Board of Trade*,—I regret that the President of our Board, Mr. MCGIVERIN, of Hamilton, is unavoidably detained ; he will be here to-morrow ; but in his absence, I would beg, on the part of the Canadian delegation present, to return you our sincere thanks for the great honor you have done us in inviting us here to the city of New York, and for the very warm welcome which you have given us.

Mr. President, — We have formed a Dominion Board of Trade in Canada, with the object, in common with your organization, of securing a more efficient representation of mercantile opinion in our legislatures. The result of our action has been very beneficial. Already we have seen the good resulting from it. The government of the country has attended to various suggestions of our's, and we are encouraged to go on ; and it gives us great pleasure to be here to confer with you on those matters which are related to the interests of both countries, in the development of their material and commercial

welfare. When we were invited, Mr. President, to join you in June, 1871, in Boston, and to confer with you upon what should be done in reference to these questions, we took the liberty of explaining that reciprocity with you was a matter of very great moment, in the interest of both countries. You are aware that in 1854, a Reciprocity Treaty was formed between the United States and Canada; in 1864 it was abrogated; and since that period, Canada has continued to admit all the products of the United States duty free. To-day, there is nothing that we do not admit, just as before, when the Reciprocity Treaty was in force, free and untaxed. The only article that we tax is saw-logs, which pays an export duty, from which we derive thirty-six thousand dollars annually. The amount of free goods coming from the United States exceeds the sum of sixteen millions. Our exports to your country were, last year, thirty-two millions of dollars. On the average, I presume that twenty per cent. is paid on those thirty-two millions, or an amount equal to about six millions of dollars. According to the doctrine of political economists, the consumer pays the duty. Therefore you tax yourselves, Mr. President, six millions of dollars, in connection with your trade with us, when you might obtain the articles, according to the doctrine of political economists, for six millions of dollars less. I do not think, however, that that is quite correct, because I think both parties suffer loss from this want of reciprocity. The effect of your not seconding us in reference to reciprocity is felt in a great many ways. We feel that while we are willing to give, you do not give in return, and there is a feeling that in constructing works for the development of our interior traffic, our railroads and canals are not always located in the most desirable places, and that if there was a proper understanding between Canada and the United States, they might be more advantageously placed for the interest of both countries. In reference to this subject I would merely mention the fact, that our Government is now building a railway to the Pacific, which is to be finished in ten years. The route of that railway extends up the Ottawa valley to the north of Lake Superior. The opinion that was prevalent in the legislature last winter was, that it must be built on British territory. Now, it is thought by a great many people in Canada, that the best route for that road would be upon the south side of Lake Superior, through northern Michigan, Minnesota, Wisconsin, and into the interior of Dacotah and Montana, affording the best means of bringing produce, at the lowest possible rate, from that country; and although our Government has partially decided upon that route, yet I have no doubt that if the policy of

reciprocity, and of increasing the friendly intercourse between the two countries, were adopted, the route of that railroad could be changed.

Then, again, there is the great subject of transportation. It will be found that the main outlet for the Northwest will be by the northern route and the St. Lawrence. The enlargement of the Welland Canal, which I am very happy to say is already begun on a liberal scale, will permit a vessel of a thousand tons to pass through. The moment that work is completed, vessels of a thousand tons can sail from the head of Lake Superior or Lake Michigan down into Lake Ontario, and thence to Montreal or Quebec. The rapids of the St. Lawrence will also be improved, so that the locks which are necessary for the ascending vessel will not be necessary for the descending one. There is another canal in contemplation of vast importance to the United States, and especially to New England, which will extend from the St. Lawrence to Lake Champlain, a distance of thirty miles, and with only twenty-five feet of lockage; so that a propeller which leaves the head of Lake Superior or Lake Michigan, carrying forty or fifty thousand bushels of grain, can sail down without breaking bulk into Lake Champlain, and deliver her cargo at any port on that Lake. And if this great city and this great State would enlarge their canal from Whitehall to Troy, that same vessel leaving the head of Lake Superior or Lake Michigan might sail direct to this port of New York, and deliver her cargo here in six days' less time, and at an expense for transportation of six or seven cents a bushel less than can possibly be done now. I do not give my opinion in reference to this, but the opinions of competent engineers, — Mr. McALPINE, Mr. JARVIS, and Mr. TRACY, of New York, and Captain CHILDS and Captain SWIFT of Massachusetts, who were employed to make surveys and estimates in relation to this subject, and who state positively that six days' time can be saved in transporting freight to this place, and at least six cents a bushel besides.

I am led to speak of this subject now from the observations made at the Chamber of Commerce to-day by Mr. DODGE. This question of cheap transportation is of the utmost importance, and I believe that both the Dominion Board and your own can be instrumental in carrying out the necessary measures to secure it; and I am sure that if the American people will only act generously in reference to all these things, and throw down the barriers to trade which exist between the two countries, the people of Canada will second anything they may do. It is my duty to state, in reference to the Zollverein which was proposed at St. Louis, that although it might be carried out in the future, it is not desired at the present time either by the Government

or by the people of Canada. There are difficulties in the way. Your public debt of two and a half billions leaves the rate of taxation per capita at sixty-five cents, while our public debt of a hundred and twelve millions leaves the rate at only twenty-five cents per capita, and until this is made more equal it is very little use to expect that we can adopt the principle of the Zollverein, in relation to all the traffic between the two countries, equalizing the duties between the Atlantic and Pacific, and dividing, as in Germany, the amount *pro rata*.

With these few remarks, and in the expectation that I may have an opportunity again to refer to some of these subjects, I beg again to thank you, Mr. President, and all the members of your Board, for the warm and hearty welcome you have extended to the delegation from Canada. (Loud applause.)

The next business in order was the election of Vice-Presidents, and the following nominations were made by the delegations, as their names were called :

By the Baltimore Board of Trade, and the Baltimore Corn and Flour Exchange — ISRAEL M. PARR.

For the Buffalo Board of Trade, (by Mr. STRANAHAN, of New York,) — GEO. S. HAZARD.

By the Boston Board of Trade, the Boston Commercial Exchange, and the Salem Board of Trade — JOHN W. CANDLER.

By the Chicago Board of Trade, and the Detroit Board of Trade — A. M. WRIGHT.

By the Cincinnati Board of Trade, and the Cincinnati Chamber of Commerce — A. T. GOSHORN.

By the Louisville Board of Trade — J. M. DUNCAN.

By the Mobile Board of Trade — R. W. SMITH.

By the Milwaukee Chamber of Commerce — WM. E. SMITH.

For the New Orleans Chamber of Commerce, (by Mr. FAIRBANK, of Chicago,) — WM. M. BURWELL.

By the New York Chamber of Commerce — GEO. OPDYKE.

By the Newark Board of Trade — WM. H. MCCLAVE.

By the Providence Board of Trade — WM. GROSVENOR.

By the Portland Board of Trade — T. C. HERSEY.

By the Philadelphia Board of Trade, and the Philadelphia Commercial Exchange — C. J. HOFFMAN.

By the St. Louis Board of Trade — C. B. FISK.

The Chambers of Commerce of Galveston and San Francisco, and the Boards of Trade of Richmond, Troy and Wilmington, made no nominations.

The President appointed Messrs. WM. HENRY DAVIS of Cincinnati, and S. P. THOMPSON, of Baltimore, tellers.

A Committee on Credentials was appointed, as follows :

J. S. T. STRANAHAN, New York,	
G. M. HOW, Chicago,	G. L. BUZBY, Philadelphia,
T. C. HERSEY, Portland,	A. T. GOSHORN, Cincinnati.

Applications for membership were presented from the Chamber of Commerce of New Haven, the Board of Trade of Kansas City, Missouri, and the Importers' and Grocers' Board of Trade of the city of New York ; also, requests to withdraw from the Cleveland Board of Trade, and the St. Paul Chamber of Commerce, which were severally referred to the Committee on Credentials.

Mr. TAYLOR, of Cincinnati : In accordance with the suggestion made in the report of the Executive Council, I will move that a Committee of eight be appointed by the Chair to confer with our Canadian friends, and to see if we can come jointly to a recommendation in regard to reciprocal trade between the two countries.

Agreed to.

The PRESIDENT : I suppose the purpose is the same as that for which the Committee was appointed last year — “to confer upon the relations that should exist between the United States and the Dominion of Canada for trade, and for the common use of the natural and artificial highways of the two countries, and to report during the present meeting.” I will appoint as the Committee :

S. L. TAYLOR, Cincinnati,	N. K. FAIRBANK, Chicago,
GEO. S. HAZARD, Buffalo,	C. B. FISK, St. Louis,
RICHARD HAWLEY, Detroit,	J. P. WETHERILL, Philadelphia,
JOHN W. CANDLER, Boston,	W. S. YOUNG, Baltimore.

Mr. ROPES, of Boston : I move that the Secretary be requested to read the list of Commercial Exchanges, and that as they are read the delegations be invited to nominate the members of a Committee on Market Reports, in accordance with the suggestion in the Report of the Executive Council.

This motion was agreed to, and the following nominations were made :

By the Baltimore Corn and Flour Exchange — **WM. S. YOUNG**.
 By the Boston Commercial Exchange — **Q. A. VINAL**.
 By the Buffalo Board of Trade — **E. P. DORR**.
 By the Chicago Board of Trade — **ALEX. MURISON**.
 By the Cincinnati Chamber of Commerce — **C. W. ROWLAND**.
 By the Louisville Board of Trade — **ANDREW GRAHAM**.
 By the Milwaukee Chamber of Commerce — **EDW'D SANDERSON**.
 By the Philadelphia Commercial Exchange — **C. J. HOFFMAN**.
 By the Richmond Chamber of Commerce — **WM. B. ISAACS**.
 By the St. Louis Board of Trade — **W. H. MAURICE**.

On motion of **Mr. How**, of Chicago, it was voted that the daily sessions of the Board commence at ten o'clock in the morning, and terminate at four o'clock in the afternoon, unless otherwise ordered.

Mr. MURDOCK, of Mobile, presented a paper prepared by an engineer upon the subject of a canal across the peninsula of Florida, which was referred to the Executive Council.

The PRESIDENT : I believe that we may now proceed with the regular programme. The first proposition is one from the Portland Board of Trade, which the Secretary will read.

I. — THE ANNUAL ASSESSMENT.

WHEREAS, The annual assessment laid by the Executive Council of the National Board of Trade on the constituent Boards, is so excessive as to exclude the representation of several of the smaller organizations, and is an onerous tax to many of its constituent bodies ; therefore,

Resolved, That the Board be requested to take such measures at its approaching session, as will secure a full and thorough investigation of its finances and current expenses, with a view to so reduce and curtail

such expenses as to ensure a material reduction in the annual assessments on its membership, in future.

Mr. HERSEY, of Portland, made a few remarks in relation to the subject, and moved the appointment of a Committee of five to consider and report upon it, which was agreed to.

The President appointed the Committee as follows :

T. C. HERSEY, of Portland,
HENRY LIPPITT, of Providence, GEO. OPDYKE, of New York,
WM. HENRY DAVIS, of Cincinnati, THOS. BRANCH, of Richmond.

The next subject on the programme was one which had been continued from the last annual meeting.

II. — INVESTMENT OF INSURANCE FUNDS.

WHEREAS, Some States have by legislative enactments prohibited insurance companies chartered within their bounds from granting loans in other States of the Union, even although a large portion of the revenue of the companies be derived from those other States ; therefore be it

Resolved, That this Board would urge the immediate repeal by those States, where they exist, of all laws limiting insurance companies in the investment of their funds to the particular States wherein they are chartered, said laws being injurious to the companies and unjust to other portions of the country.

Mr. SMITH, of Milwaukee : It appears to me that the proposition embraced in the preamble and resolution before us, is so reasonable, so plain, and so just, that little need be said in its support before such a company of business men as I see before me. There are insurance companies incorporated by certain States, doing business in all the States of the Union, whose charters restrict them in the investment of their funds to the particular States in which they are chartered. This resolution declares that this policy is injurious to the interests of such companies, and unjust to portions of the country. It is unjust to them because a large share of the property of these companies is collected from various States of the Union. The policy which we disapprove does not appear to be in accordance with the

spirit of the age in which we live. The tendency, so far as I understand it, is towards more liberal ideas, towards the abolition of all restrictions upon trade and business of every kind, between the people of different sections of the country; and I hope, sir, that this National Board of Trade will take national ground on this question, and will give emphatic expression to its disapproval of such restrictive laws as now control the investments of many of our insurance companies. I will content myself for the present by simply moving the adoption of the resolution.

Mr. HOFFMAN, of Philadelphia: To have the effect which the gentleman desires, the resolution should provide for memorializing the States referred to, asking them to repeal their restrictive laws. I am entirely in favor of the resolution; and not only that, but I should go further, and say that companies having agents in other States should invest the money in the States in which they receive it.

Mr. FISK, of St. Louis: It seems to me that the resolution must commend itself to the good judgment of the Board; and, as the gentleman from Philadelphia (Mr. HOFFMAN) suggests, we should by all means bring our influence to bear upon the State legislatures. The companies are all anxious that the change should be made.

Mr. HOFFMAN, of Philadelphia: I move to add to the resolution the words: "And that the Executive Council be instructed to memorialize the legislatures where such laws exist, asking for their immediate repeal."

This amendment was adopted, and the resolution, as amended, passed. The preamble was then adopted.

The Board adjourned, to meet at the same place at ten o'clock on Wednesday morning.

SECOND DAY.

WEDNESDAY, OCTOBER 16, 1872.

The Board met at ten o'clock, the President in the chair.

The journal of yesterday was read and approved.

Mr. STRANAHAN, of New York, from the Committee on Credentials, reported in favor of admitting to membership the Importers' and Grocers' Board of Trade of the city of New York, the Board of Trade of Kansas City, and the Chamber of Commerce of New Haven. The report was accepted, and each of these associations was received into the membership by unanimous vote, and the delegates accredited by them took their seats.

Mr. STRANAHAN also, on behalf of the Chamber of Commerce of the State of New York, and the Importers' and Grocers' Board of Trade of the city of New York, tendered to the National Board the courtesy of a dinner at DELMONICO's on Friday evening, and an invitation to an excursion in the inner harbor of New York, on Thursday at one o'clock.

On motion of Mr. GOSHORN, of Cincinnati, the invitations thus courteously tendered were accepted.

Mr. THOMPSON, of Baltimore, submitted the report of the result of the ballot for Vice-Presidents, as follows:

Whole number of votes cast,	. . . . .	62
I. M. Parr,	. . . . .	59
John W. Candler,	. . . . .	61
A. M. Wright,	. . . . .	59
A. T. Goshorn,	. . . . .	60
J. M. Duncan,	. . . . .	59
R. W. Smith,	. . . . .	58
W. E. Smith,	. . . . .	59
Wm. M. Burwell,	. . . . .	53
George Opdyke,	. . . . .	60
William Grosvenor,	. . . . .	59
T. C. Hersey,	. . . . .	57
C. B. Fisk,	. . . . .	58

And these gentlemen were declared duly elected.

Messrs. GEO. S. HAZARD, WM. H. McCLAVE, and C. J. HOFFMAN received forty-seven votes each.

There being two vacancies, the Board, on motion of Mr. YOUNG, of Baltimore, voted to proceed to an election to fill them.

The same gentlemen were requested to act as tellers, and the result of the ballot was declared, as follows:

C. J. Hoffman,	. . . . .	35
George S. Hazard,	. . . . .	35
William H. McClave,	. . . . .	26
Scattering,	. . . . .	2

And Messrs. C. J. HOFFMAN and GEORGE S. HAZARD were declared elected.

The hour of meeting fixed yesterday at ten o'clock, A.M., was changed to half-past ten.

Mr. OPDYKE, of New York, presented a memorial from Mr. SAMUEL H. RUGGLES, of New York, on the resumption of specie payments, and also two memorials from Mr. WM. C. H. WADDELL, one in relation to the reduction of postage, and of uniform, international, and other rates, and the other in reference to the

transportation of the products of the West to the Atlantic seaboard. Mr. OPYDKE moved the reference of these papers to the Executive Council, which was agreed to.

Mr. FISK, of St. Louis, submitted a memorial from the St. Louis Board of Trade, asking Congress for wise legislation, to the end that the rich and valuable lands of the Indian Territory may be opened up and utilized in the interest of commerce; and moved its reference to the Executive Council. Agreed to.

Mr. BURWELL, of New Orleans, presented the following resolutions, which were referred to the Executive Council:

WHEREAS, The surplus agricultural and manufacturing productions of the United States are, and are like to be, far in excess of the home capacity to consume: and

WHEREAS, It is a common policy of nations to provide abroad a market demand for all surplus commodities which cannot be consumed at home: and

WHEREAS, The countries upon this continent and its islands have been in good part prevented from taking the surplus of our productions by a close and exclusive policy on their part, which compels our people to pay large balances in specie for the products of those countries while their own products cannot be given in exchange, owing to the foreign exclusive policy complained of; therefore, be it

Resolved, That Congress is hereby requested to consider the importance of such modifications of our treaty relations with the countries hereinbefore referred to, and with the European powers having dominion over any colonial territories thereof, as will assure to the American people a commerce with such countries and territories, reduced tonnage and import duties upon certain commodities, the product of the United States, in return for a similar reduction of tonnage and import duties on the shipping, and on certain specific commodities, the production of such countries and colonial territories on this continent and the islands adjacent thereto.

Resolved, That Congress is respectfully requested to employ its best influence and efforts in favor of such modifications of the treaties at present subsisting between the Governments of the United States

and of Spain, or the adoption of such special conventions between these powers as will secure a reciprocal commerce between the United States and the Spanish colonial territories of Cuba and Porto Rico, to be based on such abatement of tonnage and other duties imposed by each on certain specific products of the other, as will insure a liberal system of commercial intercourse between the two countries, and a continuance of the amicable relations which have so long subsisted between them.

Resolved, That a committee of five be appointed with power to correspond and otherwise confer with any similar committee acting in behalf of the Chamber of Commerce of the city of Havana, in the Island of Cuba, or of any other corporate commercial body within the dominion of Spain upon the American continent or the islands adjacent thereto, or with any authorized committee of the merchants within such dominions "upon the relations which ought to exist between the United States and the American continental or insular possessions of Spain for the trade and for the natural and artificial highways of the two countries."

The Board then proceeded to the consideration of the subjects upon the programme.

III. — ISSUES OF SCRIP DIVIDENDS.

Resolved, That the issue of scrip dividends without a corresponding reserve or accumulation of profit, the watering of stock, and the issue of stock without a full money equivalent by incorporated companies, are pernicious customs, measures for the abrogation of which are deserving of the consideration of this Board.

After a brief debate the resolution was unanimously adopted, and the Executive Council was requested to memorialize the legislatures of the several States in accordance with it.

IV. — WAREHOUSE RECEIPTS.

Improvement in the security afforded by warehouse receipts for property stored.

Mr. ROWLAND, of Cincinnati: As I was Chairman of the Committee which had this subject in charge last winter, perhaps a word or two may be expected from me. The members of the Committee from the Northwest, where warehouse receipts have so much prominence in commercial transactions, united with me in the report

submitted at St. Louis, which you will find on pp. 312, 313 of the proceedings. I have had no additional light upon the subject in the interval. I am not entirely familiar with it. We had upon our Committee gentlemen who were engaged in business requiring the constant use of warehouse receipts, and the safety of whose business depended, in a great measure, upon the character of the security afforded by them. I had hoped to meet some of them here, but I believe none are present. I should be pleased if the Secretary would read a communication which he has received from Mr. EDWARD D. HOLTON, of Milwaukee. In order that the Board may have a proposition before them, I move the adoption of the resolution presented by the Committee at St. Louis last winter :

" That the Executive Committee be instructed to memorialize the legislatures of the several States where such laws do not already exist :

" First, To enact penal laws which will adequately punish the issuing or negotiating of spurious or fraudulent warehouse receipts.

" Second, To enact laws on the subject of warehousing which will protect the holders of warehouse receipts in the safety and integrity of the property covered by such receipts.

" Third, To make warehouse receipts negotiable, like other commercial paper."

The Secretary read the following communication on this subject from the Hon. EDWARD D. HOLTON, of Milwaukee :

" Touching the question of Warehouse Receipts, I remark,

" First — In matters of custody of monies, credits, and fiduciary trusts, assumed by individuals and corporations, municipal, state and federal authority steps in to regulate and secure. An innkeeper proposing to take into his house travellers for their entertainment and safe lodgment, must secure a license for doing the same.

" No man, or set of men, can take up banking in a corporate way without subjecting himself or themselves to the making of periodical statement under oath of the state of the concern, and in addition under the federal law subject himself or themselves to the examination at will of an officer for the verification of such statement. The same is true of savings banks and of insurance companies.

" The reason for this public supervision is found in the guardianship which is thus afforded to the public, whose interests, as depositors in banks, savings institutions, and in taking policies of insurance, are involved.

" Thus the practice of public supervision over matters when large public trusts are involved, seems by practice to be established.

" Second, — The construction of elevators and warehouses along the lines of our great railroads, and at their termini, for the storage in bulk of the cereals grown and gathered along said lines, is something new and recent in our commercial history. These establishments (some of them of capacities of millions of bushels) have come to be the reservoirs of the industry of entire and wide-spread communities. Into them the community has no insight, and no control over them, and what particularly and loudly calls for an exercise of public oversight as to the contents of such warehouses, is the fact that the public being *obliged* to employ the railroads

for the transportation of this grain, has no remedy but to place the same in these warehouses, and *take the receipt of those who run them, whether they will or not.*

"Railroads are largely public highways, authorized by, and subject to, regulation by the States granting their franchises. The elevators along them used for the storage of the vast industries of the people, should be used *only* for the purposes of storage, at a fair compensation. But the power committed to the warehouseman is so great, in many cases, that if he choose to use that power illegitimately, it is greater than the banks, or any other money power beside in the community. For example, a warehouse of small dimensions was recently burned in one of the cities where large quantities of bulk grain are stored, and it was found that the contents of the house were eighty thousand bushels of corn. But upon examination into the books of the manager of this reservoir of the people's property, there were outstanding receipts for *three hundred thousand bushels* of corn. Now, here was a man putting out receipts for more than three times the amount of grain he had in store, and he was but a small operator. But see:—If he could put out three hundred thousand bushels why not five hundred thousand, and by thus inflating the quantity of corn, and getting his money for the same at high prices, now that the inflation is noised about, and the great (although utterly false) receipts are reported, he turns around and buys in his own receipts at panic prices, and thus cheats his fellow-merchants right before their eyes; and what becomes of the banks and money-lenders who have loaned their money upon these warehouse receipts, put out by this bold and impudent operator in his own interest?

"Possibly in the case cited this operator may for once, twice, thrice, be a successful as well as a bold and an impudent one. But suppose, gambler as he is, the tables turn against him, what then becomes of these receipts? The grain is out, and the money to redeem them is gone!

"The case cited is a small one. There are parties in some of the large grain cities of the West, who hold storage to the amount of three millions of bushels of grain, and can not only issue in good faith for the contents of their warehouses, but what is there to hinder them from going on and issuing *ad libitum*, in bad faith, another three millions, without the grain in hand, exerting in such communities more money power than all the banking capital put together, not only demoralizing thereby honest trade, but jeopardizing the very industries of entire communities?

"**REMEDIES.** First—Every warehouseman upon railroads should be required to procure for the prosecution of his business a *license*.

"Second—At the end of each thirty days he should lodge with the clerk of his town or municipality a statement verified by oath in the presence of witnesses, as to the contents of grain and perhaps other commodities in his elevator or warehouse, and the amount of the receipts outstanding.

"Third—It should be the duty of the treasurer of the town or municipality, or some other similar trustworthy person, where such warehouse is located, to make a personal examination of the contents of such elevator or warehouse, and an approximate estimate of the amount of said contents, and to make a certificate of the same to be filed also with the said clerk of the town or municipality, say at the end of each month. The expense of such examination should be paid at fair terms by the warehouseman.

"Fourth—Suitable pains and penalties should be enacted by the State for the fulfilment of duty, and for violation of the law.

EDWARD D. HOLTOM."

Mr. HOFFMAN, of Philadelphia : The resolution presented by the Committee does not, in my view, amount to much, because, there are laws already in force in almost every State to punish those who issue fraudulent warehouse receipts ; and I think that it was because the resolution which the Committee presented was not all that was desired by the delegates at St. Louis, that the matter was referred to the Executive Council, to inquire and report upon an uniform form of receipt to be used in the several States. I regret very much that such a report has not been made. I do not think Mr. HOLTON's proposition would meet the case at all. Every individual advancing money upon a warehouse receipt should see that the goods for which the warehouse receipt is given, are in store. I am myself connected with a company which makes advances upon warehouse receipts. We have our agent, and he goes and sees that the specified article is in the grain warehouse or elevator, or that the goods are stored ; and we will not advance any money unless we know that the property for which the receipt is issued is in store. So it should be everywhere, and so long as gentlemen in the commission business in New York, Philadelphia or elsewhere, are willing to accept anybody's warehouse receipt, or any bill of lading from a railroad, and to advance money upon it, they will have to take the consequences, no matter what laws you may pass ; because if they make the advances and the goods are not there the parties cannot be punished. It is our duty as merchants to see that we are dealing with honest men, who will only send us bills of lading or warehouse receipts which represent goods actually in transit or in store. We must all look to our security, I repeat, before we advance our money. I am perfectly willing that the resolution should pass, because it will do no harm, and there may be some system adopted whereby those who negotiate or advance money upon a warehouse receipt will have greater security.

Mr. ROWLAND, of Cincinnati : The Committee at St. Louis last winter, of which I happened to be a member, had several conferences during the sessions of the Board there, and the report submitted was agreed to by every member of the Committee, except Mr. MITCHENER, of Philadelphia. We saw a difficulty in the way of adopting any specific resolutions, because every State must legislate for itself upon such matters. The State of Ohio must regulate by its legislation the form of warehouse receipt which will be legal ; it must fix the penalties for any disregard of the law, and those penalties will not hold in Pennsylvania or Illinois. For that reason we made the resolution general. You will observe that there were several gentlemen upon that Committee who are largely interested in the grain

business:— Mr. WRIGHT, of Chicago, Mr. HOLTON, of Milwaukee, the very intelligent gentleman to whose paper we have just listened, and Mr. PLUMER, of Boston. All these gentlemen are, as I have said, largely interested in this question, basing their business operations, to a considerable extent, upon the validity of the warehouse receipts which they receive, and they all approved of the resolution reported. What other resolutions could we have brought in? We could not go to the State of New York, for instance, and present a resolution, because the form of warehouse receipt in that State is different from that of other States, nor would, perhaps, one form of warehouse receipt ever be adopted all over the country; it is almost impossible to obtain uniformity in matters of this kind. Therefore we presented a general resolution, calling attention to the subject in the way set forth.

We base our recommendation upon the ground of the protection which the States give in the case of insurance companies; for instance, Massachusetts has its law for the inspection of insurance companies; New York has its law. The laws of these States are far more rigid than those of the Western States, but we are fast coming up to that standard. But each State must act for itself; what we want to do is to arouse attention to the subject. There has been a great deal of illegitimate business done by means of these warehouse receipts, but the bankers themselves have been somewhat to blame, in not standing between the innocent public and the issuers of these fraudulent documents, by giving them such inspection as would secure safety. The gentleman from Philadelphia (Mr. HOFFMAN) well says that careful examination is the best method by which to ascertain the validity of a paper upon which you propose to do business; but the great mass of people who ship grain from the interior of Illinois, and from other Western States, to Chicago, Buffalo, and other places where warehouse receipts are largely used, are innocent men; they cannot know what protection they have. The mercantile community must stand between them and the issuers of fraudulent receipts, and that can only be done, in my judgment, by calling the attention of the legislatures to this subject, and by inducing them to pass such laws as shall make warehouse receipts as safe as insurance policies, or the bills of the national banks.

I like the idea suggested by my friend, Mr. HOLTON; I think there is a great deal of good sense in it; but in the absence of such details, which we did not think proper to go into, I think this resolution covers the whole ground.

Mr. FERGUSON, of Troy : I should suggest an additional resolution :

Resolved, That it shall be the duty of the proprietors of elevators and warehousemen to furnish bonds which will cover the whole amount of grain in their warehouses.

This would be an additional security to a warehouse receipt, for the bondsmen of these warehousemen would have an interest in seeing that the warehouse receipts were always correct, and that the amount of grain was in the warehouse for which the warehouse receipt was issued.

Mr. ROPES, of Boston : I agree entirely with the views of the gentleman from Cincinnati, (Mr. ROWLAND). I think he has suggested the only possible course which this Board can take. I suppose all of us agree in the remarks of our friend from Philadelphia, (Mr. HOFFMAN), that every man is bound to look carefully to the security of whatever he invests in, but we cannot, as a Board, take that matter up and tell the individual capitalists and merchants of this country what they ought to do. We can operate, however, upon the legislatures and governments of the several States, and I think the resolution is admirably adapted to its object, and I hope it will be passed by this Board to-day. And in addition I should suggest that the Executive Council indicate, in its memorial to the several States such remedies as may appear to them to be desirable, which I assume will embrace the very excellent suggestions of Mr. HOLTON, which struck me as very feasible. I would remark that whenever any business becomes so concentrated, assumes such dimensions, and is carried on upon so large a scale as to make the individual powerless to remedy any evil connected with it, it becomes a fit matter for the supervision of the government. It is just as it is with railroads. In old times every man took care of his "one horse shay," and had no occasion for protection. Now we are crowded into a railroad car, and twenty of us, perhaps, may be smashed by a collision; and we call upon the government to protect us. So it is with regard to steamboats, and many of the corporate organizations of the day. This is not, I think, a matter belonging exclusively to merchants, and if we are to be protected at all that protection is to be afforded by the legislatures of the different States.

Mr. HOW, of Chicago : I regret that my colleague, Mr. WRIGHT, who has had this matter under consideration for the last year, is not present, but he is detained by sickness. The State of

Illinois two years ago passed a very stringent law in regard to the issuing of warehouse receipts by the proprietors of elevators. The law requires that every elevator shall take out a license from the Circuit Court, and give a bond to the Government for the capacity of the warehouse. It also requires that the elevator shall report, at the close of every week, the amount of grain received and discharged. That report was intended to be made to the Secretary of the Board of Trade. It further requires that every receipt shall be registered by the registrar appointed by the State of Illinois, who is also to report all the receipts that were presented for cancellation. We have found it very difficult to enforce that law. Of course it would not be for the interest of the warehousemen to comply with it, and there are now, I think, seven or eight suits, brought by a commission called the Railway and Warehouse Commission, to enforce it; none of them have yet been brought to trial. The case to which Mr. HOLTON refers, in regard to the over-issue of receipts, is not stated exactly as it took place in our city. The receipts were regularly issued, but the difficulty was that the grain after it had been received in store, had been sold and delivered without the return and cancellation of the receipts. The warehousemen would not make a detailed statement of the receipts when they were brought before us for shipment or to be withdrawn, and the receipts were put upon the market again. The amount of grain in store was only eighty-four thousand bushels, while receipts were out for three hundred and twelve thousand bushels. The Warehouse Commission then directed the grain inspector to measure all the grain in all the houses, and I think it was reported that they were all straight. But, as I say, the difficulty lies in enforcing the law. The law is very strict, and if the Courts decide that it is constitutional, as I have no doubt they will, we shall have no difficulty in regard to it.

Mr. FERGUSON, of Troy: It seems to me that unless you require the warehousemen to give bonds, so that you can hold the bondsmen responsible for any violation of the law by their principal, you have no security. You may imprison the warehouseman, but that does not replace the property you have lost by the acceptance of a receipt wrongfully issued.

Mr. McCREA, of Chicago: I would say for the information of the gentleman from Troy, (Mr. FERGUSON), that it is not possible, under our system of warehousing, to make an over-issue of receipts. We have a system in our place which we regard as an excellent one. Everything that goes into an elevator is registered by a Board of Registration, or Warehouse Commissioners, appointed by the legislature.

For instance: a car-load or boat-load of grain comes in, it is inspected, and the inspector reports it to the registrar, and the registrar keeps a minute of that; the warehouseman issues a receipt for that car-load, or boat-load of grain, and it is not negotiable, and cannot be used in our trade until the registrar has put his mark upon it. The great trouble has been that the warehousemen have always resisted cancellation. The registration law and cancellation law were intended to go together, but the warehousemen resisted the cancellation law, and so the railroads may take away the grain, and still the receipts will go upon the market. It was not until the burning of the Iowa elevator that that state of things became generally known. About that time the banks took some action, declaring that they would not loan money on the receipts of certain houses supposed to be engaged in the wheat corner, and a portion of the elevators asked the banks to make a demand upon them to submit to cancellation, that they might insist upon the other elevators, which were supposed to be in the wheat corner, doing the same, and the banks accordingly made the demand, and the elevators agreed to do it. Still cancellation has never been consummated yet; but I have no doubt that when our legislature meets again, the matter will be at once attended to. There will be no danger in taking our receipts when we get cancellation. By the by-laws of our Board of Trade we are not allowed to offer a receipt without the registration. The only trouble has been in regard to cancellation. The law is that as soon as the grain shall be drawn out, the registrar shall put his cancellation stamp on each receipt upon which the grain has been withdrawn. That portion of the law our elevators resisted, until the honest portion of them found they were suffering in consequence of the conduct of those engaged in the nefarious practice of getting up wheat corners, and that something must be done. That is about the present position of this matter with us. I have no doubt that about the first business of our Legislature will be to perfect that portion of the law in regard to cancellation.

The resolution was then agreed to.

V.—DUTY ON CANADIAN LUMBER AND DESTRUCTION OF AMERICAN FORESTS.

A resolution on this subject was introduced at the session of the Board at St. Louis, and referred to the Executive Council, by whom it was continued to the present meeting. The resolution is as follows:

"WHEREAS, the duty of twenty per cent. *ad valorem*, imposed on lumber imported from the Canadian Provinces, upon the abrogation of the Reciprocity Treaty, in place of acting as a protection to American industry, is operating injuriously upon the interests of this country, by imposing a direct and onerous tax upon the consumer; by checking the rapid growth and building up of our Western settlements; and by facilitating the waste and denuding of our own forests, which a wise policy should preserve and protect for the wants of future generations; and

"WHEREAS, Such duty only tends to put a higher price on our domestic lumber, to the great injury of the masses, and to the benefit only of a few who are proprietors of the timber lands of the lumber States; therefore

"Resolved, That the duty now imposed on Canadian lumber of right ought to and should be abrogated, or else reduced to a rate which should not act as a prohibitory tax; and that the National Board of Trade will use its influence and endeavors to bring about such a result."

Mr. McCLAVE, of Newark: *Mr. President and Gentlemen:*

—This subject was on the programme for the consideration of the Board at its last annual meeting; one of the delegates from our Newark Board of Trade, Mr. SEALY, then gave you his views upon this very important subject, and after some debate the matter was referred to the Executive Council, and by it placed upon the programme which we are here assembled to discuss.

When the subject was first introduced by the Newark Board of Trade, the duty upon Canadian lumber imported to this country was twenty per cent. gold *ad valorem*. Our last Congress changed the duty to two dollars gold specific. If it was the intention of our Government to reduce this duty, it sadly failed in its accomplishment; because, the two dollars specific amounts to about the same as twenty per cent. *ad valorem*.

We claim, sir, that this duty is not a protection to American industry, but is a direct and onerous tax upon the consumer. Lumber is now a necessity, and we must have it at any cost. The demand is so great, that we are dependent upon Canada for a very large amount of our supply; and every obstacle which tends to increase our burdens should be lightened by a Government which can well afford to be just and generous. There is no necessity for this tax in order to protect the lumber manufacturers in the United States. They are masters of the situation as far as prices are

concerned; the higher the duty upon Canadian lumber, the more they ask for their lumber and the more they increase their facilities for cutting; and hence comes the other great evil, the waste and denuding of our forests, which by all means should have the fostering care of our Government before it becomes too late.

Why, Mr. President and gentlemen, this cutting of lumber within our States is so enormously profitable (with the present duty upon lumber) that I cannot do better than to reiterate and refer you to the statement made by my predecessor, Mr. SEALY, at your last meeting, that in the State of Michigan alone, during eighteen years prior to 1868, the amount of lumber cut was seven billions two hundred million feet. The amount of lumber cut in 1869 was about two thousand million feet. Remember: This in the State of Michigan alone. I will here call your attention to what the Secretary of the Treasury said in his report to the fortieth Congress. "So far from the twenty per cent. tax on lumber being a protection to American industry, the official facts show it to be the reverse. Nor can this duty be considered as in the nature of an internal revenue tax, if it is contended that the consumer of lumber should be taxed upon it, for that would necessitate the imposition of the same tax upon *all* lumber, whether foreign or domestic. In effect, it operates however as a revenue tax, levied upon a portion of the community in a particular locality only, and cannot be defended upon any principle of a general tax levied upon all portions of the country alike." Again, he says: "But even if it is urged that for revenue a duty should be continued, it is respectfully submitted that a duty not higher than five per cent., levied upon those articles which under the reciprocity treaty were admitted free, would be a fair equivalent for the internal revenue taxation of the United States; and further, that an unwise policy may institute a system of retaliatory legislation, the only effect of which would be to embarrass trade and to entail serious losses upon both countries."

We see, therefore, that this duty is unwise, unjust, and an injury to the people of our country, who are from necessity consumers of this great product, and that it is a benefit only to the few proprietors of timber lands within our borders.

Our shipping interest also is a sufferer by this duty. A few years since, large shipments of lumber to South American ports were made from New York and Boston; now that trade is almost exclusively done from Montreal. I might say that it is exclusively done from Montreal, for the fact is there are not over twenty million feet shipped from New York to all ports in the world, while from

Montreal there are about two hundred million feet. The whole product of lumber manufactured in this country and Canada for 1871 was about seven billion, or seven thousand million feet, the estimated cut in Canada being about one thousand million feet; consequently our home product figures the enormous amount of six thousand million feet. Of the product of Canada, we import for use in this country about eight hundred million feet. The duty being two dollars specific, the Government would therefore derive one million six hundred thousand dollars. Now, the proportion of the imported to the home product is one for the former to about seven of the latter. Therefore, the tax for the consumer upon our home product is over eleven millions of dollars.

Thus you see, Mr. President and gentlemen, that while the few fortunate lumber manufacturers are benefited, the masses of the people are being injured, contrary to all good and wise government.

THE DESTRUCTION OF OUR AMERICAN FORESTS.

This is a subject so interesting and so important, that its discussion might be prolonged to an almost indefinite extent. I shall be content, however, to merely throw out some hints, or to make some brief references, in the hope that gentlemen here, more experienced and more competent, will give us their views, to our pleasure and edification.

It is said that there is good reason to believe that the surface of the habitable earth, in all the regions which have been the abodes of dense and civilized populations, was, with slight exceptions, when it first became the home of man, covered with a forest growth. This is inferred from vegetable remains, trunks, branches, roots, seeds and leaves of trees often found in conjunction with works of primitive art, from the state of much of North and South America when discovered and colonized by the European race, and from other circumstances. If such was the case, certain it is that we have, from various causes, made great inroads upon our natural forests, which, under the present state of affairs, ought to cause us to stop for a moment and exclaim, in the language of the poet, "Woodman, spare that tree."

Now, let us go back again to the State of Michigan, which, I believe, is now the largest lumber State within our country. I told you that in 1869 they cut two thousand million feet of lumber. It is estimated that in that year the area of standing pine was four million acres. The average yield an acre is three thousand seven hundred and fifty feet; therefore, at that average, with the number of computed acres, the total yield would be fifteen thousand million

feet, and if we take the cutting of 1869 as an average, less than eight years would exhaust the forests of the State.

I have no statistics, but from the information I have gathered, I believe the amount of lumber cut in the State of Michigan in 1871 to have been about one thousand two hundred million feet. It is said that on account of the rapid destruction of our forests, and the large prices obtained for lumber, trees which formerly were not thought of sufficient size to send to the mill, are now considered of value, as we can now use lumber of all qualities and dimensions; therefore, the yield to the acre may be more now than it was formerly. Well, then, let us give a large average to the acre and put the yield at five thousand feet; let us also put the average cut *per annum* for all time to come, until our forests in Michigan are totally exhausted, at one million two hundred thousand feet, (the cut of 1871.)—I suppose there is not a gentleman in this assembly, possessed of any information about the lumber business, having in view the increasing population of the country, and a consequently increasing consumption of lumber, that would not say that this would be a very low and liberal estimate—what then will be the result? We take, according to the estimate of 1869, the area of standing pine to be four million acres, and the total yield will be twenty billion feet; divide this by our average cutting, and the result is that less than seventeen years will totally deplete and exhaust the forests of the State. Now, gentlemen, these are facts and figures, given in a plain, practical way.

Is there not cause here for alarm? Do our lumber manufacturers need protection? No,—I say no. But our forests need protection, and that very soon, or we shall not have any forests to protect. Mr. SEALY referred you last year to the report of the Commissioner of Agriculture, wherein the estimate is made, that for the ten years between 1850 and 1860, thirty millions of acres of wood land were cleared and brought under cultivation, and the calculation is made that the denudation of our forest lands going on at the present time cannot be less than at the rate of four millions of acres *per annum*. Now, Mr. President, I ask, are not these facts sufficient to immediately awaken a deeper interest in our rapidly decreasing forests? Is it wise or just to continue this tariff duty upon Canadian lumber, when the destruction of our forests is going on at the rate of so many millions of acres *per annum*?

I have spoken only of the act of man, who, in the language of an eminent author who has largely and ably showed the evils consequent on the destruction of forests, "has too long forgotten that the earth

was given to him for usufruct alone, not for consumption, still less for profligate waste."

I have said nothing of the enormous loss resulting from such disastrous fires as have swept over large tracts of Michigan and Wisconsin within the past year. Such disasters must only hasten the day of panic which is rapidly approaching. Is it not time, sir, that our Government should open its eyes to the threatening evil and endeavor to avert it, at least, to retard its approach? Let us be warned by the history of man's waste in the old world.

The author I have quoted, in speaking of physical decay as resulting from man's action, tells us: "There are parts of Asia Minor, of northern Africa, of Greece, and even of Alpine Europe, where the operation of causes, set in action by man, has brought the face of the earth to a desolation almost as complete as that of the moon; and though, within that brief space of time which we call the historical period, they are known to have been covered with luxuriant woods, verdant pastures and fertile meadows, they are now too far deteriorated to be reclaimable by man; nor can they become again fitted for human use, except through great geological changes, or other mysterious influences or agencies of which we have no present knowledge, and over which we have no prospective control. The earth is fast becoming an unfit home for its noblest inhabitant; and another era of equal human crime and human improvidence, and of like duration with that through which traces of that crime and that improvidence extend, would reduce it to such a condition of impoverished productiveness, of shattered surface, of climatic excess, as to threaten the deprivation, barbarism, and, perhaps, even extinction of the species." A fearful prophecy indeed, but one which I am convinced the premises fully justify.

Mr. President, I will freely confess, that when my attention was first directed to this subject, I failed to appreciate its importance; but as my mind has dwelt upon it, the subject in all its bearings has loomed up into a magnitude and importance which language can hardly portray. It grows upon the mind, sir,—the more you consider it, the grander the theme becomes; and I promise you, sir, and every gentleman in this honorable and intelligent assemblage, that you will, in giving careful consideration to the subject, bear me out in all that I have said, although this may for the moment appear to you, to say the least, somewhat extravagant.

I hope, sir, the subject will not fail to call forth the amplest consideration of this Board.

Mr. WETHERILL, of Philadelphia: *Mr. President*,—I have listened to the exhaustive essay by the gentleman from Newark, (Mr. McCLAVE) on the lumber question with a great deal of pleasure. I have no doubt that the figures showing the extent of that important interest are complete and reliable, and that they do lead us to the conclusion that this is a great interest, and one constantly growing in importance. But, sir, Congress when it took this matter up and discussed it, was quite as well informed as ourselves in regard to its importance, and as to the necessity of a reduction in the duty upon lumber; and, when this Board said, as it did at its last session, that the duty imposed upon Canadian lumber of right ought to be reduced, that vote expressed just exactly what we desired Congress to do. This Board had no idea of advocating free trade in lumber. And yet I should judge, from the argument of the gentleman from Newark, (Mr. McCLAVE) that that is probably what his delegation would desire. But looking at this interest in its length and breadth, Congress has not, as the gentleman has stated, reduced the duty to two dollars a thousand feet, but to one dollar a thousand feet. The law reads as follows:

“On sawed boards, plank, deals, and other lumber of hemlock, whitewood, sycamore and basswood, one dollar per thousand feet, board measure.”

I do not know a great deal about the lumber business, but I should judge, from what I can gather upon the subject, that that covered most of the lumber used for building purposes, except hard and expensive woods. I cannot state to this Board what would be the value of the cheap lumber which is used so extensively by the masses, which perhaps should receive the protection which the gentleman from Newark desires, but if it should average twenty dollars a thousand, the duty of one dollar a thousand, as it now exists, would be a reduction from twenty per cent. to five; and it does seem to me that that is a very considerable reduction upon one interest, and that at a time when so many interests are demanding a reduction, and when so many have not received that consideration which has been given to the lumber at Washington, this Board ought to be satisfied with what has been done.

And looking at it in another point of view it seems to me that we should be satisfied with what Congress has done. Certainly five per cent. is a moderate duty. Certainly this lumber interest, so great and so extensive, should be satisfied to pay a proportion of the taxes which we must raise to support this Government to the amount of five

per cent. Other interests pay sixty per cent. I suppose the average amount paid cannot be less than forty per cent., to produce the necessary amount of revenue; and when we compare that average of forty per cent. with the extremely low tax, a mere commission, upon lumber, of five per cent., it does seem to me that a vote adopting this resolution will be regarded as a demand for free trade in lumber.

There is still another consideration, sir. We must get the bulk of our lumber, I suppose, from Canada, and while we are about to meet and consult with our friends from Canada on reciprocal trade, I think this will be a very important matter for us also to take up in that connection. The gentleman from Montreal informs us that the only export duty now imposed in Canada, is an export duty charged upon saw-logs, which are, I suppose, in connection with the lumber manufacture, the raw material. And a duty of twenty per cent. upon the raw material is charged for what purpose? So that the saw mills of Canada may be protected, and that the manufacture of lumber in Canada may be looked after. The Canadians do not want the large lumber establishments upon the line of the lakes to get their raw material, so that they can work it up at a profit, give as cheap lumber, and at the same time allow the lumbermen and those engaged in that business to make money. Not a bit of it. Self-interest is at the bottom of this whole thing, as it is at the bottom of almost every other matter. We are working for ourselves; we must protect ourselves wherever and in whatever manner we can. We do not blame the people of Canada for protecting their interest, but let us at the same time be careful that we do not put the duty upon lumber so low that we may ruin our own trade.

Mr. McCLAVE, of Newark: I take exception to the gentleman's remark that the duty upon all lumber is one dollar. It is as I stated: the bulk of the pine lumber coming from Canada is two dollars.

Mr. THOMPSON, of Baltimore: I move that the whole subject be referred to the Committee appointed yesterday to confer with the delegates from Canada.

Agreed to.

On motion of Mr. TAYLOR, of Cincinnati, the Committee on reciprocal trade relations with Canada was granted leave to sit during the sessions of the Board.

VI.—INLAND WATER COMMUNICATION.

After a brief discussion as to whether this subject should be postponed until to-morrow, or until next year, it was agreed to postpone it until to-morrow.

VII.—CLASSIFICATION AND RATES OF FREIGHT BY RAILROADS.

WHEREAS, The direct classification of freights on different roads, renders difficult the formation of through rates between far distant points; and

WHEREAS, It is the present rule of railway companies to grant special rates on freight, much lower than their schedule rates, on personal application of the shipper, but to refuse to grant those special rates unless the application is made at the identical point from which the shipment is made, while they neglect to maintain offices at every point on those roads to and from which freight might be shipped, and at which said special rates might be sought for; and

WHEREAS, Some corporations might be arbitrary and perpetuate injurious acts to individuals who might not have time or ability to obtain redress; and

WHEREAS, Full power rests in the Congress of the United States to regulate commerce among the States; therefore

Resolved, That the attention of the Boards of Trade, established in all our commercial and manufacturing cities, and of the National Board of Trade more especially, should be directed to the consideration and investigation of the matter herein referred to.

Resolved, That the general freight agents of all roads in the United States are hereby exhorted to form a general and national classification of freight.

Resolved, That the Congress of the United States is hereby requested to pass such laws as shall prevent injurious discriminations in rates and classification of freight or extortionate charges for its transfer, and shall simplify the means by which redress can be obtained by the weakest individual against the strongest corporation.

Mr. GOSHORN, of Cincinnati: This is a proposition which is very comprehensive in its nature, and refers to transportation by railways in such a manner as to require the most careful consideration of this Board, and in the absence of the gentleman who prepared these resolutions, and who expected to be present to discuss them, we have concluded to ask the Board to postpone the consideration of the

subject for the present. I move, therefore, that it be referred to the Executive Council to consider and report upon at the next annual meeting of the Board. It is a new proposition, and one which will require most careful attention, and we do not think it is in proper shape now to be considered.

Mr. ROPES, of Boston : I wish to ask if it may not be quite possible for us to pass these resolutions, and then an additional resolution, to the effect of the motion just made, that they be referred to the Executive Council for proper action thereupon. I like the spirit of the resolutions, and should be very glad to have them affirmed by this Board at this time.

Mr. GOSHORN, of Cincinnati : If the Board desire to take action upon the resolutions, we shall not object. We are not prepared to discuss them at the present time ; but it may be that the Board is prepared to pass upon them, and I accept the amendment suggested by the gentleman from Boston, (Mr. ROPES). If that be the case I would withdraw my motion for reference.

Mr. BUZBY, of Philadelphia : I like the tenor of the resolutions very much ; there can be no doubt that for some years past there has been very considerable dissatisfaction entertained by the people of the country in reference to the railroad facilities which they have enjoyed, or rather failed to enjoy. There is one peculiarity about railroad traffic, wherein it differs from the general business of mankind. As business ordinarily developes in other branches of trade, it tends to specialize itself. We find that a country store-keeper has a little of almost everything with which to supply the wants of his neighbors ; but as the little town grows into a city he confines himself to a few articles, and after awhile we find the whole business of the place classified into dry goods, hardware, drugs, and many other things. In manufactures, likewise, we see the same thing, until we come down to this, that we have a number of men engaged simply in heading a pin or sharpening the point of it ; and these subdivisions seem to be requisite for the welfare of society, and the most productive use of the forces which man can command.

Now we have in the railroad service of the country precisely the opposite of this. We have the railroad companies assuming to do everything. I hold that the legitimate province of a railroad company is nothing more than to lay its road-bed, and that it never had any more right to go beyond that point than a turnpike company has to exceed the powers which it holds under the law. All the public need of a railroad company is that it shall furnish a road bed, and

possibly motive power, and then let individuals or companies of individuals, put their cars upon the track, and furnish the public with all the accommodation it desires. But that has not been the course of the railroad companies. They have furnished the road-bed, and then the cars, and in order to freight their cars they have been obliged to add warehouse upon warehouse, and then to have armies of hands, and to encumber themselves with an enormous variety of detail, having their stations here and there, and all the accompaniments of those stations, until at length the affairs of a railroad company become so complicated, that when at the end of the year a statement of its condition is submitted to its stockholders, they can really know nothing definite about it. They never do. The relation of such a vast machine as a great railroad to the necessities of the public, enables it to survive the most disastrous mismanagement, to an extent hardly conceivable. The thing must go on, simply because the public cannot do without it, and under that necessity the mismanagement is screened, although it is known to be very great. These railroads were a public necessity, let them be managed how they would, so that there was something by which freight could be carried. I can only understand the persistency with which the railroad companies cling to the practice of putting their own rolling-stock upon their roads, upon the theory that they are actuated by a love of power, and a wish to retain control of the army of *employés* in their service. It is for this reason that I say the system ought not to be continued. Already we fear it as a great political power, and something calculated to build up vast monopolies. Railroad companies which combine in their interest some three or four great trunk lines, walk into our State legislatures or into the National Legislature at Washington, and they can command what they please. These practices have done a great deal to demoralize the legislation of the country, and to such an extent that the word "reform" is now the political watchword of the two great parties contending for the control of the Government.

We want to return to the simple and natural system, not by blotting out all the freight cars that the companies now possess, but by securing legislation, if necessary, which will compel the companies to admit the rolling stock of individuals or of other companies upon their lines, and that not in any ambiguous or uncertain way, not in such a way that a railroad company can, by some cunning contrivance, always give the cold shoulder to the individual transporter, and see that he is "kept out in the cold," or that he cannot possibly transact business, although the law seems to grant him the right. Indeed, if that should prove to be the course adopted by the railroads,

then we might advise still further,—and the time may come when it will be well to do so,—that some tax be placed upon the rolling stock owned by railroad companies. That would make them desirous to abandon the business and transfer it to individuals.

I propose, as the sequence of my remarks, to add an amendment to the concluding resolution. I believe that the measures recommended are possible; I have been assured by intelligent railroad men that they are not only possible, but desirable, and I wish to add this as an amendment:

Resolved, That the Congress of the United States is hereby requested to pass such laws as shall favor individuals or companies other than railroad companies placing rolling stock for the transportation of merchandise upon the various roads, with a view to promote the public interest by a wider competition for the carriage of freights than now exists.

Mr. GOSHORN, of Cincinnati: I see no particular objection to the amendment offered by the gentleman from Philadelphia (Mr. BUZBY). It arrives at about the same conclusion as was intended by the original resolution.

Mr. BUZBY, of Philadelphia: I see no objection to the last resolution.

Mr. CHICKERING, of Boston: I am very desirous that the last part of the resolution should be kept in. I think it covers a very important case,—that of obtaining redress against railroads. My experience has been, that individuals have very little chance for redress against a railroad. Local agents have no authority to do anything, and of course, an individual cannot get prompt redress. I think there should be some means by which, as it is very well expressed in the resolution, “redress can be obtained by the weakest individual against the strongest corporation.”

The PRESIDENT: The resolution will so stand, as Mr. BUZBY's amendment is accepted by Mr. GOSHORN.

Mr. ROPES, of Boston: I agree entirely with my friend from Philadelphia, (Mr. BUZBY), in principle, that it is most desirable to check the despotism of large consolidated corporations, yet I cannot agree with him as to the method by which he proposes to accomplish that result. I am satisfied, and I think this Board has indicated its belief, that it is impossible to adopt a system under which individuals and corporations should be allowed to put trains of

cars upon a railroad, with any kind of safety to the community. With the work of our railroads conducted under a systematic arrangement, and when the corporations are accountable for the management of their trains, and are held responsible in heavy damages for any injury done to passengers and freight, it is, as all of us know, bad enough, injurious enough, destructive enough to life and to property; and what would it be if a dozen persons or corporations were allowed to put trains on the rails, and to run them, perhaps not exactly *ad libitum*, but according to any arrangement which they may devise?

Mr. BRANCH, of Richmond: The idea of giving Congress power over the railroads of the country is to me an extremely dangerous one. Centralize and strengthen the Government, give it the power to control the railroads and do anything else it pleases, and it will do more injury to the country than the railroads can. My opinion is, that the railroad, telegraph and express companies are the dangerous elements in this country, but not so dangerous as a centralized Government at Washington. This is too important a subject for us to bring up. The gentleman from Cincinnati (Mr. GOSHORN) has moved that these resolutions, which originated in the Board of Trade there, be laid over for the Executive Council to report on next year; but the honorable gentleman from Boston, (Mr. ROPES), who talks very intelligently upon every subject on which he speaks, says he is ready to vote upon the resolutions and then refer them. I consider that it would be lost time to do that, and I hope they will lie over. We do not want to go into controversies here about the Constitution of the United States. Let us keep within the bounds of practical common sense. I am an "old fogie," perhaps, but I am not so much of an "old fogie" as to be willing to give every man a chance to put a train of cars on a railroad, to be hauled by steers or horses, or perhaps by asses. (Laughter.)

Mr. WHITE, of Baltimore: I think there are some parts of this proposition which the Executive Council might bring up, which would receive nearly the unanimous consent of this Board; there are others which I think would not. Therefore, I offer this as a substitute:

WHEREAS, The public mind is not yet educated up to the idea that the General Government should assume control of this matter; therefore,

Resolved, That the subject be referred to the Executive Council.

Mr. ROWLAND, of Cincinnati : I should favor the substitute of the gentleman, save for the reason that I think it would be well to meet now and here this entire class of propositions. The preamble says that full power rests in the Congress of the United States to regulate commerce among the States. We all know what that means : it forbids one State from collecting customs duties upon goods coming into it from another. It had no reference to railroads or to the ordinary travel on roads when it was made. That was never contemplated. I am opposed to the third resolution, which asks that Congress shall be called upon to pass laws to prevent injurious discriminations on freight. If under the clause of the Constitution which gives Congress power to regulate commerce among the States there is any wrong done, the remedy is a judicial, not a legislative one. How could Congress reach roads running through five different States? What authority would it have, unless you revolutionize your whole system of government, and make Congress the custodian of all the railroads and steamboats and canals in the country, and give it also the control of the telegraph and of all the business of the country? It has a great deal too much business now, I think, (applause,) and if you cannot place a limit on the power of your Government, your doom is sealed. You could not undermine your system of Government more directly than by encroachments upon your business. I am ready, for one, to meet all this class of propositions. I am in favor of going to the States where the wrong is done and of appealing to commercial bodies, but never to the Government at Washington, on such a subject as this. (Applause.) Strike out this suggestion, and if we have gone too far in this direction, let us retrace our steps and seek the old paths. I am in favor of striking out that part of the third resolution, which says that Congress is "requested to pass such laws as shall prevent injurious discriminations in rates and classification of freight or extortionate charges for its transfer," etc. It cannot be done; it is an absurdity upon the very face of it.

Mr. SARGENT, of New Haven : I voted for the immediate consideration of this question for the very reason indicated by the gentleman who last spoke. I desire to have the question settled now, whether all our commercial matters shall be referred to the Federal Government or to the legislatures of the several States. I think it is a very important question, and I notice, in looking through the programme, that there are various questions with which it is connected, and I think it desirable that this Board should take the stand that all matters of this kind should be referred to the legislatures of

the States, instead of to Congress. We refer insurance matters and other commercial questions to the State legislatures ; I am therefore in favor of having the question acted upon now, and of striking out the last part of the preamble, and of amending the last resolution by inserting the words, "the legislatures of the various States," in place of "the Congress of the United States." I think that would produce harmony in the action of the Board, and meet the objections of the gentleman from Virginia (Mr. BRANCH) and other gentlemen.

Mr. ROPES, of Boston : I desire to withdraw my motion, and to say, that I think the resolutions can be presented in much better shape. I therefore move that the whole matter be referred to the Executive Council, which, I am sure, will put it into much better form than we can make here.

Mr. BUZBY, of Philadelphia : I rise to explain, but it seems to me strange that any explanation should be needed. From what has been said here, gentlemen seem to suppose that the cars of different individuals would meet upon the same track, for the purpose of having a general smash-up every day ; that they would have no more sense than to work in that way. I have said that the proper province of the railroad companies was to furnish the road-bed and motive power. They could regulate the time when the trains should start on their roads, just exactly as they do now. I cannot understand how any gentleman can talk about running cars with oxen or horses, or suggest that some might prefer to ride asses on the track. It would soon be discovered that there discretion and judgment must be exercised, and my argument is, that the work can be a great deal better done by individuals or companies, than by the railroads themselves. I know it can, for I have seen it done. On a railroad in Pennsylvania, fifty miles long, I have seen the cars of the company run for years in perfect harmony with the cars of some twenty or thirty individual carriers on that road, and I have seen that road advance in prosperity, until, from being in an insolvent condition, it was brought up to one in which it paid handsome dividends. Then I saw the Pennsylvania railroad come in and compel that little company to sell out, to the great dissatisfaction of the people.

One of the complaints in the proposition from Cincinnati is, that you cannot secure at many of the way stations on the roads, those special rates which you can secure at Cincinnati, and some few other terminal points. Now, if instead of being obliged to contract at head-quarters at those points, you had, as on this line of fifty miles to which I have referred, four or five individual transporters within a distance of ten miles, you would not be compelled to offer any special

civilities to obtain the facilities you desire. Now the whole business is transacted in some palatial building, where you have to present the matter to a class of officials, every one of whom seems to magnify his own dignity and importance in proportion to the magnitude of the corporation he serves; but if you had these individual transporters distributed along your roads at different points, you might make your rates, and make them in a satisfactory manner. If one owner was not willing to serve you, you would have a selection from three or four more, and would be likely to get your freight carried at a fair rate. Suppose a man at Chicago has two or three thousand barrels of pork to send off, would he not be in a better situation if there were twenty or thirty men, each having command of a line of cars, to whom he could go and say, "what is the lowest price at which you will carry my pork?" and have those twenty or thirty men compete, instead of being obliged to go to the head-quarters of one of the great railroad companies, and either submit to a control he is powerless to resist, or else by reason of the magnitude of his business, make some special rate, while his neighbor, less favored, or less scheming than himself, is compelled to pay a higher rate.

While you have this business conducted by a few men, you cannot have it transacted for the benefit of the public, and as the business of the country increases, the greater will be the evil. Take it out of the hands of these gigantic corporations. You could not have any better illustration of the evil tendencies of centralization than is found in our great railroad companies, and if centralization is so objectionable there, you can form some idea how it will act in politics, and heed the warning. Take this business, I say, out of the hands of the railroad corporations, and throw it upon the people.

Mr. SARGENT, of New Haven: I think that all the objections of the gentleman who has just spoken, are met in the last resolution — that the legislatures of the various States be requested to pass such laws as shall prevent the making of injurious discriminations. The self-interest of the various trunk lines will force them to make the through rates such as will compete with other roads, and if the legislatures of the several States should pass laws making the local rates a proper proportion of the through rates, — which would perhaps meet the gentleman's idea, — I do not see why the whole object of his amendment is not met by the resolutions as they stand. I hope that the amendment of the gentleman from Philadelphia, (Mr. BUZBY), relating to allowing individuals to put cars on the railroads, will be voted down, and that the resolutions, as printed, and as

proposed to be amended by myself, may pass. It seems to me they cover everything that is necessary in the consideration of the question.

Mr. GOSHORN, of Cincinnati: I will renew my original motion to refer this subject to the Executive Council, with instructions to report upon the resolutions, either at this session or at the next annual meeting. I am satisfied from the discussion that the resolutions are not in proper form, and that we are not ready to vote upon them at the present time.

The PRESIDENT: I understand that all the amendments have been accepted, save the one in reference to memorializing the legislatures of the several States. If the motion is agreed to the whole matter will go to the Executive Council.

The question was then put, and the motion to refer carried.

VIII.—TRANSPORTATION OF GRAIN BY RAILROAD, AND GUARANTEE OF WEIGHT.

What measures will secure a more reliable railroad service, particularly in reference to the transportation of grain, and guaranteeing the weight of the same?

Mr. CHICKERING, of Boston: As this comes from the Boston Commercial Exchange, I should like to say a few words. I believe there are others here who are rather better informed than I am, but I will try to bring the subject before you in a plain way. And in order that you may see just where the point comes, I will, if you please, give you a simple illustration of the course of a cargo of grain going from Chicago to Boston.

A person orders a cargo of grain, I will say ten thousand bushels, at Chicago. It is weighed in the elevator and delivered to the propeller. That propeller gives a bill of lading through to Boston at a specified rate of freight, takes the grain to Buffalo, and there it is weighed by the New York Central elevator. The propeller must deliver ten thousand bushels of grain, or pay for what is short, and I suppose, of course, it is paid for what is over. Then the New York Central company puts the grain into its cars, and consigns it to Boston, by the way of the Boston and Albany road; and almost always a little allowance for shortage comes on the bills. The New York Central company gives it at the elevator, without weighing, to the Boston and Albany company; it is then brought to Boston and put in the Boston and Albany elevator, and the purchaser gets his receipt. If there is any considerable shortage, and he go to the Boston and Albany

company for redress, they say, "we delivered all we received from the New York Central people." If he then goes to the New York Central they say, "we delivered the whole amount to the Boston and Albany road," and just at that point he falls to the ground. He cannot prove how much corn passed to the Boston and Albany road. I am willing to admit that both these railroads have done very well indeed, considering that they are entirely irresponsible as to weight; still there are individual cases of considerable loss, and the whole thing is a matter of uncertainty; you can place no dependence on the amount of grain you are to receive. And as this business is done on very small margins, it becomes a very important point that the man who buys his grain in Chicago should know what quantity he is to receive in Boston. A great many figures have been made as to what would be a proper allowance for natural and necessary wastage, which would amount to something; but the whole point is here, that we are left at the mercy of either of these roads, and as they pass through different States it is necessary that the States through which they pass should consider the subject and enact laws regulating this matter. We proposed to the Massachusetts Legislature that it should pass a law that any road delivering freight in Boston, that should receive freight from any connecting road, should be responsible for the whole amount originally shipped, unless it could prove that the wastage was not upon its line; but, as you see, that would not be sufficient, because we could not contend State with State. I have not myself, and I do not know that any members of our Exchange have settled upon any definite plan to recommend, but we have brought the subject before this Board, in the hope that the discussion would develop some plan by which redress can be obtained.

Mr. FERGUSON, of Troy: *Gentlemen*.—In speaking on this subject to you I shall endeavor to be as brief as possible, and show you the terrible drain upon the productive and laboring interests of our country on account of our present railroad management. I shall then show what freight can be hauled for over the same length of road under a properly constructed road and when managed in the interests of the people. First, then, let me call your attention to the following tabular statement of fourth-class freights charged by the different railroad lines, for the last five years, from the cities of Chicago, Toledo and St. Louis, also from six interior competing points in the States of Iowa, Illinois and Indiana, namely, Mattoon, Decatur and Pana in Illinois; Terre Haute, Indiana; and Keokuk and Dubuque in Iowa; to New York city. Five years will at least furnish a basis to work upon. I take the months of December, January, February,

March and April, as those months only show what the railroads would do the year through if they had no water competition. We first take Chicago; and here let me add that, owing to the fire, all the official records were destroyed, and I have been unable to obtain official rates, but am obliged to take old bills of lading and circulars as authority, and there may be some errors; but I think it will be found, on the whole, to be a liberal statement:

TABULAR STATEMENT OF FOURTH CLASS FREIGHT FROM THREE GRAIN CITIES AND SIX INTERIOR COMPETING POINTS FOR MONTHS MENTIONED IN LAST FIVE YEARS. BY R. H. FERGUSON. TROY, N. Y., SEPTEMBER 15, 1872.

Toledo to New York, fourth class, per 100 pounds.							Ave. per bush. of 56 pounds.	
Months.	1869	1870	1871	1872	Ave. per 100 pounds.	Ave. per bush. of 56 pounds.		
December..	50	45	47½	—	47½	26 1-10		
January....	—	50	45	—	—	—		
February..	—	45	45	—	—	—		
March.....	—	43	45	47½	—	—		
April.....	—	40	40	—	—	—		
Ave. per 100 pounds..	50	44	42	47½	47½			
Total ave. 5 years.....					45½	26		

Chicago to New York, fourth class, per 100 pounds.							Ave. per bush. of 56 pounds.	
Months.	1868	1869	1870	1871	1872	Ave. per 100 pounds.	Ave. per bush. of 56 pounds.	
December..	80	55	65	60	—	—	—	
January...	80	50	60	60	60	—	—	
February..	80	50	55	60	65	—	—	
March.....	70	50	50	50	60	—	—	
April.....	60	55	50	45	50	—	—	
Ave. per 100 pounds.	74	52	56	55	47			
Total ave. 5 years.						50 4-5	31 4-5	

St. Louis to New York, fourth class, per 100 pounds.							Ave. per bush. of 56 pounds.	
Months.	1868	1869	1870	1871	1872	Ave. per 100 pounds.	Ave. per bush. of 56 pounds.	
December..	80	60	70	70	—	—	—	
January...	100	70	72½	60	62½	—	—	
February...	100	75	50	60	62½	—	—	
March.....	70	65	45	60	65	—	—	
April.....	75	55	45	60	65	—	—	
Ave. per 100 pounds..	85	65	56½	62	63½			
Total ave. 5 years.....						56 3-4	37	

Interior competing points to New York, fourth class, per 100 pounds.							Ave. per bush. of 56 pounds.	
Places.	1868	1869	1870	1871	1872	Ave. per 100 pounds.	Ave. per bush. of 56 pounds.	
Mattoon...	80	70	65	60	65	68	38	
Decatur..	86	64	65	65	65	69	38 6-10	
Pana.....	81½	60	55	60	55	62	34 2-10	
Terre Haute	75½	—	—	—	—	75½	42	
Keokuk....	65	65	65	65	60	64	35 8-10	
Dubuque..	105	75	90	80	90	88	49 2-10	
T. ave. fin 6 int pts.						71	39½	

Grand average for the three above cities of 59½ cents per 100 pounds, or 33 4-10 cents per bushel of 56 pounds.

For Chicago we have, in 1868, for the five months mentioned previously, an average of seventy-four cents an hundred pounds, or forty-one and four-tenth cents a bushel of fifty-six pounds; same

time in 1869 we have fifty-two cents a hundred pounds, or twenty-nine one-tenth cents a bushel of fifty-six pounds. For 1870, fifty-six cents a hundred pounds, or thirty-one and three-tenth cents a bushel of fifty-six pounds. In 1871, fifty-five cents a hundred pounds, or thirty eight-tenth cents a bushel of fifty-six pounds; and 1872, for four months, including April, forty-seven cents a hundred pounds, or twenty-six three-tenth cents a bushel of fifty-six pounds; and the average for five years of fifty-six four-fifth cents a hundred, or thirty-one four-fifth cents a bushel of fifty-six pounds. We next take St. Louis: We have there for the year 1868, for the five months from December to April inclusive, an average of eighty-five cents a hundred pounds on fourth class freight, or forty-seven six-tenth cents a bushel of fifty-six pounds. For same period in 1869, sixty-five cents a hundred pounds, or thirty-six four-tenth cents a bushel of fifty-six pounds. Same time, 1870, fifty-six and a half cents a hundred pounds, or thirty-one six-tenth cents a bushel of fifty-six pounds; sixty-two cents a hundred pounds, or thirty-four seven-tenth cents a bushel for 1871; also, sixty-three three-fourth cents a hundred pounds, or thirty-five seven-tenth cents a bushel for 1872, being a total average for five years of sixty-six four-tenth cents a hundred pounds, or thirty-seven one-tenth cents a bushel of fifty-six pounds. We come next to Toledo, which city had no through rates previously to December, 1869. During that month they were fifty cents a hundred pounds, or twenty-eight cents a bushel of fifty-six pounds. In 1870, they averaged forty-four cents a hundred pounds, or twenty-four and a half cents a bushel of fifty-six pounds. In 1871, they averaged forty-two cents a hundred pounds, or twenty-three and a half cents a bushel of fifty-six pounds. In March, 1872, forty-seven and a half cents a hundred pounds, or twenty-six six-tenth cents a bushel of fifty-six pounds, or an average for the three years of forty-five three-fourth cents a hundred pounds, or twenty-five sixty-five-one-hundredth cents a bushel of fifty-six pounds. We now have a total average from those three cities of fifty-nine three-fourth cents a hundred pounds, or thirty-three four-tenth cents a bushel of fifty-six pounds. And right here we have another important point to consider. The said cities (from which we have paid an average price of thirty-two two-tenth cents a bushel for the last five years) do not produce the grain. This is raised from fifty to five hundred miles from said cities, and has to be transported over different railroad lines to those cities. To ascertain this cost, I wrote several letters to many different interior points on the 15th July, 1872, and I quote in reply a letter of Messrs. SILLER & Co., of Dubuque, Iowa, written

July 18, 1872. They say: "Our freights depended on Chicago freights to New York, which you can obtain easier than we, because your city had business with Chicago, while we had hardly any east of it. If to Chicago rates to New York you add twenty-five cents a hundred pounds, you have our rate to New York, during the period you mention. Local tariff into Dubuque has been during that period fifteen cents for fifty miles to twenty-five cents for a hundred miles a hundred pounds." You can readily see, therefore, that from an interior competing point to Chicago and the other grain centres, it costs at least twenty-five cents a hundred pounds, to which you must again add from fifteen cents to twenty-five cents (according to distance) a hundred pounds for local rates from country points where the farmer sells his grain to the interior competing points. Interior competing points may be defined as places where two railroads cross, which give the shipper the choice of two roads to ship over and a lower rate of freight; so that you must add from forty to fifty cents a hundred pounds to the general average already obtained of fifty-nine three-fourth cents a hundred pounds. This will give us ninety-nine three-fourth cents to one dollar and nine three-fourth cents a hundred pounds, or fifty-four six-tenth cents to sixty two-tenth cents a bushel of fifty-six pounds. We will now take the freight from six interior competing points: Mattoon, Illinois, average for five years, sixty-eight cents a hundred pounds, or thirty-eight cents a bushel of fifty-six pounds; Decatur, Illinois, average for five years, sixty-nine cents a hundred pounds, or thirty-eight six-tenth cents a bushel of fifty-six pounds; Pana, Illinois, average for five years, sixty-two cents a pound, or thirty-four seven-tenth cents a bushel of fifty-six pounds; Terre Haute, Indiana, average for five years, seventy-five and a half cents a hundred pounds, or forty-two cents a bushel of fifty-six pounds; Keokuk, Iowa, average for five years, sixty-four cents a hundred pounds, or thirty-five eight-tenth cents a bushel of fifty-six pounds; Dubuque, Iowa, average for five years, eighty-eight cents a hundred pounds, or forty-nine two-tenth cents a bushel of fifty-six pounds—a total average for five years from the six interior competing points of seventy-one cents a hundred pounds, or thirty-nine two-third cents a bushel of fifty-six pounds, to which can be added fifteen cents to twenty-five cents a hundred pounds, according to distance, making it fifty-three two-third cents a bushel of fifty-six pounds.

The Western farmer at those interior stations only receives fifteen to twenty cents a bushel for his grain, corn, or oats. He has therefore, to sell three and four bushels to get money enough to pay the

freight on one bushel. Is further argument necessary? Here we have three-quarters of the Western farmer's grain productions given to the railroads to carry the remaining one-quarter to market. Can you be surprised that the Western farmer is unable to pay the interest on his mortgaged farm? Was ever a people taxed by king, emperor, or despot, three-quarters of their productions? Does not the query force itself upon the minds of all intelligent persons, if continued, where will it end? The tendency is toward consolidation among all through lines, so as to crush out all competition and permit two or three railroad kings to dictate to the people how much they shall pay for their food, fuel, and clothing. Already the railroad system of our country (comprising over fifty thousand miles, and fast increasing) is in the hands of half a dozen men, who can to-morrow morning telegraph orders from their headquarters that will raise the flour you buy at noon one dollar a barrel, the pork you buy one and two cents a pound, the beef you eat the same, the coal you burn one dollar a ton, every bushel of grain in the country two, three, five and ten cents a bushel, putting into their purses millions of dollars before night, to the disadvantage of every man, woman, and child, and to the benefit alone of half a dozen millionaires. Does the President of the United States possess such power? No; and the Congress of the United States does not exercise such authority; so that we are now ruled by our railroad corporations with a stronger hand than our Congress dares exercise. If this state of affairs exists now, what shall we pay when twenty-five years hence we have four times the productions to carry to market, and one hundred thousand miles or more of railroads? Therefore this subject is one of national importance. It is not local alone, but a subject in which every one who lives by eating is equally interested, as it affects the price of every commodity in the country. Every farmer, planter, manufacturer, is interested. The price of bread, the price of grain, the price of dry goods, groceries, boots and shoes, iron, cotton, and in fact all things, are affected by these railroad kings and their favored rings. The different railroad corporations are becoming so powerful that they control legislatures. Such consolidations of power, such dictation to the people (as to what they must and shall pay for the necessities of life) are an infringement upon the rights of the people. It is the people's land and money that helped to build the roads; it is the people's productions from land, loom, and furnace that furnish the freights for said roads, that are now run to see how much can be extorted from the people (to pay large dividends on stock that is watered and doubled up every little while) instead of seeing how cheaply the freight could be carried, which is the only rule

that should govern a properly constructed railroad managed in the interest of the people. The people, therefore, have a right to say what shall be a proper compensation for carrying their freight.

There is great danger to every interest in our country—financial, productive, manufacturing, and, above all others, the laboring interest. It demands our earnest attention and immediate action. Every moment but tightens the iron grip these railroad monopolies now have upon the people's throats. But, says one, our legislatures have the power to regulate the freights, and they will do it at the proper time. False illusion, Mr. President. So long as a railroad king can step into the halls of our legislatures, and there selecting from among our representatives one, two, five, or a dozen men if you please, and put twenty-five thousand, fifty thousand, and one hundred thousand dollars into the pockets of each of those men, he (the railroad king) can pass a law to double the existing tariff, instead of reducing it, and all the men we can send to the legislatures will not remedy it. Alas, so corrupting and all-powerful is the almighty dollar to most of our representatives. I would not say that all men are so corrupt, but the fact at present is too evident to be denied; and the State of New York only a short time ago had a test, in which one of its representatives received one hundred thousand dollars for a vote. Again, our railroads are now so great a power that they refuse to pay the Government the legitimate tax imposed on them, for proof of which witness the recent hearing of the Government *vs.* New York Central and Hudson River railroad, before the Supreme Court, for the sum of five hundred thousand dollars due the Government, and which said road refuses to pay. Railroad monopolies and corporations can do acts so mean and contemptible that if committed by a business man or firm they would be stricken from the roll of honorable business men. It is useless to talk of asking our present legislatures to remedy this evil.

And now I propose to show you another table of what freights can be hauled for over our railroads when managed in the interest of the people and for them, instead of against them. A gentleman once connected with the Iron Mountain railroad in Missouri, and well posted in the freight business, informed me that a thirty-ton locomotive could haul with ease twenty-three freight cars loaded nine tons each, or two hundred and seven gross tons for ninety cents a mile, all expenses included. The President of the Virginia Central (in 1868), in conjunction with the Covington and Ohio railroad, says "an ordinary thirty-ton locomotive will draw with ease over the Covington and Ohio railroad, going eastward, four hundred and eighty tons, encountering only ten miles of (the two hundred and twenty-four) of thirty feet

grade;" and a few miles of sixty feet going West it will draw two hundred and twenty-eight tons. Mr. WALTER MCQUEEN, Superintendent of Schenectady Locomotive Works, says—"a thirty-ton locomotive will haul from one hundred and fifty to five hundred tons, exclusive of the weight of cars, according to the grade and condition of the road, and will burn from thirty to sixty pounds of coal a mile under the same conditions." By taking an average of these three statements it gives us a drawing capacity of three hundred and five gross tons, or six hundred and eighty-three thousand two hundred pounds of freight, that can be hauled a mile by a thirty-ton locomotive for the sum of ninety cents, or a thousand miles (about the distance from Chicago and St. Louis to New York) for the sum of nine hundred dollars, or at a cost of thirteen one-sixth cents a hundred pounds, or two dollars sixty-three and one third cents a net ton actual cost, all expenses (time, labor, interest on cost of road and equipment, etc., etc.,) included; while under the present system the cost for the last five years from the city of St. Louis has averaged sixty-six four-tenth cents a hundred pounds, or thirteen dollars twenty-eight cents a ton; and an average for the same time from Chicago of fifty-six four-fifth cents a hundred pounds, or eleven dollars and thirty-six cents a ton. This shows a profit from St. Louis of ten dollars sixty-four and two-third cents a ton, or over four hundred per cent. more than it should be, while from Chicago it shows a profit of eight dollars and seventy-two and two-third cents a ton, or over three hundred per cent. more than the cost would be if managed in the interest of the people. And this cost of two dollars sixty-three and one-third cents a ton, is under our present extravagant management of railroads. How much less would it be on a railroad built in the interest of the people, to be run on all the economical principles known to civil engineering? At a glance this statement may seem (to those of you who have never investigated it) small and erroneous. I shall now submit some further figures, to show you that this is even an excess of what it should be.

The annual statement of the State Engineer of New York, presented to the legislature January 3, 1872, on page twelve, will be found a comparative statement of the total tonnage over the New York State canals and New York Central and Hudson River railroad and the Erie road. In that comparison it will be seen that from the year 1866 to 1870 inclusive (the Hudson River railroad tonnage being included only in the year 1870) the New York Central and Hudson River railroad carried two billion, three hundred and two million, nine hundred and sixty-three thousand, four hundred and forty-two tons of freight, and received for the same an average price of two

dollars and forty-two cents a ton a mile—(almost as much for carrying a mile as it should receive for carrying one thousand miles; comment unnecessary)—while the Erie railway for same time carried three billion, three hundred and forty million, seven hundred and sixty-five thousand, three hundred and twenty-seven tons, and received a ton a mile one dollar eighty-seven and six-tenths cents. On page thirteen, same report, is statement of the cost and equipment of said roads per mile. This shows the cost and equipment of the New York Central and Hudson River railroad to be eighty thousand seven hundred and sixty-four dollars and forty-three cents a mile, while that of the Erie road was eighty-nine thousand, eight hundred and forty-eight dollars and eighty-three cents a mile. When we consider the extravagant management of the latter road during that period, it is not strange that there should be a difference in their cost of nine thousand dollars a mile; and when we see the magnificent depots and buildings of the former, we may safely say that eighty thousand dollars a mile should very properly represent the cost of a well constructed and managed railway. We now return to the cost of transportation:

1. A train of thirty cars, at \$1,000 each.....	\$30,000
2. Cost of thirty-ton locomotive.....	15,000
3. Cost of road and equipment.....	80,000
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Making a total cost of.....	\$125,000
At seven per cent. for one year, \$8,750.	
Interest for one day, \$23.95.	
Help—1 engineer, \$90 per month.....	\$90
Help—1 fireman, \$45 per month.....	45
Help—4 brakemen, \$40 per month each.....	160
Help—1 conductor, \$100 per month.....	100
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	395
Or cost of help per day, \$14.63.	
Cost of help and interest per day, \$38.60.	

A through freight train should travel with ease two hundred and fifty miles a day, or twenty-five miles an hour. Taking the cost a day of thirty-eight dollars and sixty cents, and dividing it by two hundred and fifty miles a day, we get the cost for one mile, equalling fifteen and one-half cents a mile. The amount of coal consumed by a thirty-ton locomotive, drawing at its utmost capacity, is (according to Mr. McQUEEN's statement) sixty pounds a mile. To be safe we will call it eighty pounds. This, at a cost of six dollars a ton gross

*An ordinary freight car costs about \$800—from \$750 to \$800—so that \$1,000 is large.

(which is extravagant), would be twenty-one and a half cents a mile for fuel. I think the soft coal costs less than four dollars a ton gross. At four dollars a ton the cost a mile would be reduced seven and a quarter cents; but at six dollars we have the total cost for hauling three hundred and five tons a mile to be thirty-seven cents. In conjunction with this, let me add that the State Engineer's report states the cost of the New York Central and Hudson River railroad, road and equipment, to be eighty thousand, seven hundred and sixty-four dollars and forty-three cents. Being doubtful whether the term equipment included rolling stock, I, to guard against error, have added forty-five thousand dollars a mile for rolling stock, which I think should be deducted. However, with this additional charge of forty-five thousand dollars, the total cost is only thirty-seven cents a mile for the train and cost of running it. The cost of wear and tear on the Erie railway for the last fiscal year, and the cost of iron to repair it, was two million, one hundred and sixteen thousand, seven hundred and twenty-eight dollars and twenty cents, while the cost of office expenses, stationery, etc., and the agents and clerks, as apportioned to the freight traffic, was one million, five thousand, eight hundred and forty-three dollars and thirteen cents—a total of three million, one hundred and twenty-two thousand, five hundred and seventy-one dollars and thirty-three cents, while the number of tons of freight moved one mile to produce this cost, was eight hundred and ninety-seven million, four hundred and forty-six thousand, seven hundred and twenty-eight tons. By dividing that you will see it amounts to the one two-hundred and ninety-ninth part of a dollar. Passengers could be carried for one cent a mile, or less, at an enormous profit. But to be just, we will add eight cents a mile to the thirty-seven cents already obtained. This will certainly be ample for any items of expense overlooked, and we now have forty-five cents a mile. At forty-five cents a mile we are one hundred per cent. less than the statement before mentioned of ninety cents a mile, or two dollars sixty-three and one-third cents a ton. At this rate a ton of freight could be carried from the Mississippi to New York for one dollar thirty-one and two-third cents, or one hundred pounds for six fifty-five hundredth parts of a cent. If by a line of road (to be run and managed in the interest of the people) freight can be carried for thirteen cents a hundred pounds, or seven and three-tenth cents a bushel of fifty-six pounds, which now costs the people thirty-seven and one-tenth cents a bushel from St. Louis, and thirty-one and eight-tenths cents a bushel from Chicago, there is a saving of nearly thirty cents a bushel of fifty-six pounds from St. Louis, and of twenty-four and one-half cents a bushel from Chicago.

In the report of the Commissioner of Agriculture for 1871, page twenty-eight, it is stated that the grain produced by the United States in 1871, was one billion, five hundred and nineteen million, seven hundred and seventy-six thousand, one hundred bushels, besides three million, two hundred and fifteen thousand, eight hundred and seventy-six hogs that were packed, to say nothing of the live stock of all kinds that was carried over the roads at this enormous expense. We will not even mention first-class, second-class, and third-class, together with the passenger traffic, and these classes are from fifteen to fifty per cent. in excess even of fourth-class. Take the single item of grain alone, and we will say that only two-thirds of it—one thousand million bushels—were transported, we have the enormous sum of two hundred and forty-five million dollars extorted from the people, if that amount were shipped from Chicago, and the still greater sum of three hundred million dollars on the same amount shipped from St. Louis. But as half of the amount was shipped from lesser points at higher rates, this sum would still be increased. But taking the two places, Chicago and St. Louis, we have an average of two hundred and seventy-two million five hundred thousand dollars, and this amount is in excess of what it should be, taking their own figures, which (if they are, as shown, one hundred per cent. too large) would amount to five hundred and forty-five million dollars. This sum—two hundred and seventy-five million, five hundred thousand dollars—and much more, it costs our people every year, in excess of what it should cost—a sum large enough to pay the whole national debt in ten years, and enough to build and equip a double track road of three thousand four hundred miles in length, at a cost of eighty thousand dollars a mile every year, almost if not quite long enough to reach from New York to San Francisco.

We can now inquire, with all due propriety, “how can we remedy this evil and save to our country and people this enormous sum that is now stolen from them?” The speaker is not egotistical enough to suppose that he has found out this philosopher’s stone, but he does think and know that the gentlemen who compose the National Board of Trade, and who represent the business interests of the United States, are capable of solving this problem. Therefore I may be pardoned for submitting with all due modesty the following: First, let me ask what are the objects of the railroad? Is it not to bring the widely separated sections of our country nearer together, to carry the products of one section to the other? The manufactured products of the East to the producing community of the West? To develop our resources and increase the wealth of our country? To enable the people of one section to mingle with those of another? Then that

system which increases the wealth of the country most, by increasing the value of its productions, by carrying the products of its mines, etc., the cheapest, by carrying passengers for the least money is the system that we need. The only way to derive the greatest good for the benefit of the largest number is to have the rail transportation of this country done for the cost. The plan I would advocate is through trunk lines crossing the continent from ocean to ocean, or from the grain fields and centres of the West to all the seaboard cities in the East, said roads to consist of four tracks, if advisable a track each way for freight, and one each way for passenger traffic. These roads to be free thoroughfares, over which the people's freight shall be carried for cost, the roads to be built by the people—that is, every county and State through which the road passes to pay an equal share of the cost of construction and equipment, according to its population and wealth. Where a county or State is too poor the Government to give the necessary aid. Each county and State through which the road passes to guarantee a certain per cent. interest to stockholders; no stockholder or shareholder to be allowed a vote on said stock or shares, simply holding stock or shares as a voucher for their investment, and to entitle them to the interest on such deposit. No better security or investment could be had, as such roads would be the great aorta through which the people's life-blood would flow, and in which every person in the nation would have an individual interest. The cost of carrying the freight shall include the wear and tear of road-bed and rolling stock, the cost of the same, salaries of men in its employ. In order to determine this cost, and to estimate the toll to be charged, let one man be selected from each county through which the road passes, to be chosen for his ability and honesty; the same to be assisted by the services of a civil engineer, one from each State through which the road passes. These parties, who shall be chosen each year, shall compute the cost of carrying freight, and determine how much toll will be necessary to charge to pay this cost. Or perhaps a still better and more practical way would be to have the matter of toll regulated by the different Boards of Trade in the United States. That is, one or more delegates appointed from each Board of Trade, after the manner of the National Board of Trade, who shall appoint a superintendent of the road, and be the management of said road; or the National Board of Trade itself, if it thought proper, might have a special meeting each year for the adjustment of rates and election of superintendents, etc. What we want is to have the business interests of the people and the people control this carrying business, and I cannot conceive of a more appropriate body than the National

Board of Trade, or a body similarly appointed from each Board of Trade in the country. We cannot have the Congress or General Government manage it, as then it would become a political machine, and subject to all manner of corruption. Besides, the voice of the people would not be so directly heard as it would when coming through the Boards of Trade.

Another plan, which would be infinitely superior to our present system, would be to have a line of road free to any person, firm, or company, to place cars upon the track and compete for the carrying trade. This would give us far cheaper transportation than we are now getting, but not as cheap as the plan just advocated, as those parties who competed would want to make something, while the former method would carry for cost. But, says one, what will become of all our railroad interests, the capital invested in them? There is room enough for all, freight enough for all; and if said roads will carry freight for same prices they will get it to carry again. Capital will always seek the best paying investment, and when our railroad capitalists find their investment is not paying them ten or twenty per cent. interest, and that they can do better elsewhere, they will invest there, and the thing will regulate itself. But the economical party says: we cannot afford to pay out so much money for a new road; our country cannot afford it. If it costs two hundred million dollars to build such a road, and if by building it we can save each year above that cost fifty million or seventy-five million dollars, we are making money instead of spending it. Such a road can carry freight cheaper than it is now carried by water, and far more quickly. Time is a most important item during the heating season—especially the months of June and July—when grain by long voyages in cargoes becomes heated and unsaleable; whereas, if carried in cars, eight to ten days would be sufficient time to have it brought from the granaries in the West to the seaboard ports in the East. By having a line of steamers ready the cars could be spouted into them, and in ten days more your grain shipment will be in Liverpool, in better condition, and having occupied less time, than a lake shipment from Chicago to New York. And it can be taken from the grain fields to Liverpool as cheaply as it is now taken from Chicago to New York by water. Besides, see how much our productive and other interests would be increased in value by this saving of two hundred and seventy five million dollars each year. Then again, the great curse of shortages on transported grain could be done away with, for when the business men of the country had the management of the transportation, they would soon correct all evils, and in five years' time a system of perfect transportation would exist in our

country, carrying its blessings and making its influences felt in every household in our nation, and extending across oceans and continents till all people should receive each their share of benefit. I know these are advanced statements. But you must remember our railroad system is in its infancy; we do not know what we can accomplish with a railroad constructed upon all the economical plans known to civil engineering, with air-line tangents of fifty miles, good grades, etc., etc. In closing, permit me to call your attention to an article in the *New York World* of September 13, 1872, and to advise you, in conclusion, to "Beware of the iron yoke which the present railroad system is fastening upon the necks of our people. Beware of consolidation, of monopolies, and, above all, of the centralization of our railroads into the hands of a few individuals."

MR. VINAL, of Boston: I think the gentleman from Troy labored under a misapprehension when he wrote that speech, to be delivered at this stage. The proposition before us simply calls upon us to take some measures to make the railroads responsible for the delivery of the same quantity of grain which they receive, and has nothing whatever to do with the rates they may charge for bringing it. I take it that covers entirely different ground. I am here, for one, as a delegate from the Boston Commercial Exchange, to see what can be done to make a railroad receipt given in the West good for its face in Boston or New York, or anywhere on the seaboard. It is very apt to fall short in quantity, and we want a remedy for that evil. It is well known by all large shippers of grain, that much of it is shipped from the West by irresponsible men, who are interested in deceiving the railroads in regard to the quantity they put in their cars. The railroads trust to them to load their own cars. They may, and often do, overload the cars; they perhaps as often underload them, and take a receipt for grain that they have never put into the cars. The railroad men are not able to say the grain was not there, because they never see it loaded. Now, what we want is, that there shall be some plan matured by which the railroads that ship the grain shall know what they ship, and be responsible to the man who receives it on the seaboard.

MR. CHICKERING, of Boston: I will offer this resolution:

Resolved, That the Executive Council be directed to memorialize the legislatures of the several States to pass such laws as shall compel railroads receiving freight from connecting lines to weigh the same, or be responsible for the weight in the original bill of lading.

This is entirely a practical matter. I did not think it would bring on so much or so general discussion. It is simply to discover where the wastage comes, and to recover it of the road that causes it. It is as simple as can be, but still quite important.

The resolution was agreed to.

On motion of Mr. MURDOCK, of Mobile, the next subject on the programme, in relation to the tare on Louisiana sugar, was postponed until to-morrow.

XI. — IMMIGRATION.

Resolved, That the National Board of Trade observes with much satisfaction, the efforts which the General Government is making, to secure proper protection, in person and property, to immigrant passengers on their way to the United States, and it would express the hope that treaties with foreign powers may speedily be concluded, under which our own Government, and others interested, will be enabled to attain uniform legislation on this subject, and the jurisdiction of each and all, over the officers and crews of vessels employed in the conveyance of immigrants, and over their acts upon the high seas, will be clearly defined.

Resolved, That in the judgment of the Board, federal supervision over immigrants arriving in the United States, should cease after they have landed and passed through the Custom House with their effects, and that their treatment subsequently may safely be left to the several States and municipalities upon the seaboard, and to the operation of the spirit of rivalry and competition, now so actively at work among them.

Resolved, That the Board unqualifiedly condemns all schemes, combinations and monopolies, oppressive to immigrants, by which they are deprived of the proper and usual facilities for cheap and safe transportation, and by which many impositions are practiced upon them, and it would respectfully urge upon the various local governments, to take all necessary measures to counteract such schemes and combinations, and to put a stop to all such impositions.

Resolved, That all capitation taxes collected from or upon immigrants, whether imposed directly or indirectly, with or without color of law, are odious and unjust, and ought to be abolished.

Mr. CANDLER, of Boston: *Mr. President*:—The resolutions which are before the Board were suggested by the Boston Board of

Trade, and it has seemed to us that the question is one of great consequence. It is not, sir, a new question; the question of emigration is as old as history. It is no new thing for men to seek new homes; it is no new habit of men to flee from oppression, from want, or from political abuse of any kind; nor is it anything new for men, under particular inducements or inclinations for change, to seek a new place of abode; but, Mr. President, although it is not a new question, it seems to me that it is a question which the United States have a peculiar interest in. We know that the numbers that immigrate to this country can be counted by millions. We know, also, that the money that is brought over by immigrants amounts to millions of dollars; therefore, as a commercial question, it is of great consequence for us to consider, and although it may be the duty of commercial men to consider questions pertaining to commerce, yet it seems to me that where these are connected with questions of humanity, where there are abuses from which men suffer, we are bound as merchants to consider both at the same time.

Mr. President, the Boston Board of Trade had occasion to consider the subject of immigration in connection with certain laws upon the statute books of Massachusetts, which they considered unjust. In 1869 the Board appointed a committee to have certain laws in regard to head money abolished. We desired that there should be a partial change, and we succeeded in accomplishing that. In 1870 the Boston Board went for a further change of the laws, and we accomplished that, so far as the Legislature was concerned, but the Governor vetoed the bill, which was passed by the two branches. We then, in 1871, with a persistency that I think merchants are very apt to display, went again to the Legislature and had the head-money tax in the State of Massachusetts entirely abolished. Through this consideration of the abuse there, we became interested in the question of immigration, and when we come here to-day we speak with some considerable earnestness upon it, because we have followed the bills which have been presented in Congress upon the subject; we have read with interest the proclamation of the President of the United States, and we take exception to some of the suggestions which were made therein—both in the bills presented in Congress, and in the message of the President of the United States.

The first resolution for the consideration of the Board is "that the National Board of Trade observes with much satisfaction the efforts which the General Government is making to secure proper protection in person and property to immigrant passengers on their way to the United States," etc. We advocate the passage of a bill which shall

cover this ground, that the United States so arrange their treaties with other countries that immigrants may be protected from abuse on vessels coming to the United States. The reason for this is, that the claim has been raised by certain merchants to whom foreign vessels were consigned, that there was no law which authorized the trial of the captain of a ship, or its officers or men, for any abuse upon the high seas; and it seems to us that while the immigration is so large, and the abuse is so apparent, it is our duty to have a law which shall correct it. I will read a few statements in the message of the President of the United States, which will explain some of the abuses, and so directly, that but little further time will be required upon that subject.

The President of the United States, on May 14, 1872, sent a message to the Senate, in which he referred to the question before us, as follows:

"In my message to Congress, at the beginning of its present session, allusion was made to the hardships and privations inflicted upon poor immigrants on shipboard, and upon arrival on our shores; and a suggestion was made favoring national legislation for the purpose of effecting a radical cure of the evil.

"Promise was made that a special message on this subject would be presented during the present session, should information be received which would warrant it. I now transmit to the two Houses of Congress all that has been officially received since that time bearing upon the subject, and recommend that such legislation be had as will secure, first, such room and accommodations on shipboard as are necessary for health and comfort, and such privacy and protection as not to compel immigrants to be the unwilling witnesses to so much vice and misery."

I will not read further, because this suggests the whole evil,—that there are abuses in crowding passengers into too small space, in crowding men, women and children together, so that they are obliged to witness all the necessary operations of life; all this was explained by the commission appointed to look into the subject afterwards, which sent the following to Congress:

"Every European steamer, during the emigrant season, carries as many emigrants as can be stowed away in one of the decks of the front half of the ship, and some English steamers carry passengers on both decks.

"The steamers of the Hamburg and Bremen lines carry passengers on the second front deck only, to the number of four hundred to six hundred on each steamer. A ship which carries its full complement, as they construe the American law—one passenger to each two tons admeasurement—has more passengers between decks than can stand up in the narrow passages at the same time. The sleeping-drawers or berths, each about twenty-two inches wide—though they should be twenty-four inches, in accordance with American law—and six feet long, are ranged four in a row on either side, and in two tiers in the widest part of the ship, and four on each

side in the middle, making sixteen berths in width across the ship below, and sixteen berths above. Therefore, without taking account of trunks, boxes, baskets, bags, and bundles of personal luggage, there are, including partitions, thirty-four feet of interior space devoted to sleeping-places in two tiers, which, supposing the ship to be fifty-four feet wide in the clear, in its widest part on the front half would only leave in the two passages ten feet width, and six feet length for each sixteen persons to perform all the acts of life for fourteen days. As all the passengers, male and female, young and old, occupy this *one* compartment, compelled to witness all the transactions of life, particularly when for several days sea-sickness with its frequent retchings and vomiting has attacked the majority of the occupants, with the presence of perhaps fifty small children to add to its discomforts, the situation becomes painful, and even horrible. Should cholera, small-pox, or any other contagious disease attack the passengers, it would rage with the violence of the Chicago fire."

I have read these passages simply to introduce the subject, believing that facts like these—for there are others similar—will satisfy you all of the necessity of taking some action upon the matter. The objections to the bills which have been presented in Congress were, that among the measures which it was proposed to adopt, was one establishing an immigrant bureau. We believe that it is the duty of the United States to secure international laws which shall protect the immigrant on the high seas. We believe that it is the duty of Congress to have such laws that men can be punished on shore summarily, if they violate any of the laws existing, or if they commit any acts of inhumanity. But, sir, the Boston Board of Trade does not believe in the suggestions made to Congress in regard to the appointment of an immigrant bureau for that purpose. We believe, as suggested in the second resolution, that the care of the immigrants should be left to the States or the cities, or the ports into which they are brought. We believe that the care of the immigrants should be a matter of police regulation; and we object to the passage of the bills which have been proposed in Congress, which include this immigrant bureau, because among other reasons we do not believe in the centralization of government. It is urged in the report before me that the United States Government should take charge of the immigrants who come to this country, and should establish a bureau for that purpose. The Boston Board of Trade wishes to say, or at least some of its members wish to say, that their objection is just this—that they oppose the establishment of an immigrant bureau on account of the centralization to which it will tend. We believe that it is the duty of the General Government to leave everything to the States and the cities that it prudently can. I have no fears, for one, in talking about centralization, that we shall ever have an empire in this country; I do not

believe that our institutions lead to that; but I do believe that the people will be weakened if we take from them the cure of many of the local abuses, and give it into the hands of the Government. Some writers claim that the advantage of the Teutonic or Anglo-Saxon race over the Latin race, in their colonies, lies in their self-dependence, their thrift, and their industry. I believe that we can go further, and say that the Government weakens the people when it takes from them the administration of their charities. I believe that whenever we can possibly bring the people directly in contact with their work, it is our duty to do so; and my idea of centralization is, that it weakens the people by not giving to them the duties which they ought to discharge in their several localities.

Again, we oppose this idea of an immigrant bureau, because we believe in the growth of the United States, and we can see that, as the country grows, if the National Government takes more and more to itself, by appointing bureaux and commissions, the people will become enervated. The Custom-house already appalls us when we contemplate its work, and by the organization of new institutions, such as immigrant bureaux, we only encourage an evil which we have to guard against with the greatest care. It is for this reason that we ask this Board to pass a resolution in opposition to the recommendation of Members of Congress, taking the ground that we will not encourage the Government in undertaking any work which can be as well or better done by the people themselves.

Mr. President, if an immigrant bureau should be established, it would be a vast machine, it seems to us. We now recognize that in our large cities, in Boston and in New York, there are arrangements to take care of the immigrant which are almost perfect in themselves. We think that all this can be done more cheaply, and more simply, by leaving it to the cities; and, further than that, we think that there is an objection to anything in the form of a government bureau, while the habit of political change is in existence. We believe that in the administration of such a philanthropy or charity as this, you require experienced men, and that it would hardly be well to change with the change of every administration, the laborers in that field.

The next resolution is, that the Board "unqualifiedly condemns all schemes, combinations and monopolies, oppressive to immigrants." It does not seem to me that any argument is required to enforce that resolution here. I believe the Board will agree that if there are monopolies oppressive to the immigrant, if there are laws in the localities where immigrants land that tax them unjustly, such things should be

managed by the authorities, and it is sufficient to call attention to the subject.

The last resolution is that "all capitation taxes collected from or upon immigrants, whether imposed directly or indirectly, with or without color of law, are odious and unjust, and ought to be abolished." That was the law that we considered unjust in the State of Massachusetts, and which persistently, as I said, we labored to have wiped from the statute book, and which to-day is erased, and does not disgrace us. We do not believe that the United States has any right to tax a man who comes here to increase our wealth, to improve our country, and add to the growth of its population. We say that if a man who has a wife and a large family of children sees fit to plant himself upon American soil, he should not be required to pay two dollars a head on his family, because some pauper in some other ship, and at some other time, may want to land upon our shores. We say that when we fought this tax before the Massachusetts Legislature, we asked competent legal advice, and we were assured that the law was unconstitutional, that no State had a right to tax a man for coming into its borders, in the shape of head money; that if it was illegal as a direct tax, it was illegal if collected in an indirect way, as it was in Massachusetts, and as we believe it is in some other States. We think immigrants are *entitled* to protection, and that it can be best afforded by police *regulations* after they have landed.

If it is for the interest of the United States that immigration should be encouraged and protected, we should be very careful to do nothing that is unjust to check it. We claim, Mr. President, that if we are able to surround immigration with careful guards, when a man in comfortable circumstances abroad sees that there are laws and a public sentiment to protect his family from outrage, we shall constantly have added to this country a better class of immigrants, men with property, who believe in our institutions, and, as we believe in them, we think that the intelligent men of other countries must continually see the advantage of them. We believe that such men in comfortable circumstances will be tempted to leave their homes, that their children and their grandchildren may live under the Government of the United States.

"If it is for the interest of the country to protect these men from abuse," we said in Massachusetts, "let us make an appropriation to pay the bills, and not by an indirect or unjust tax raise the money to be spent; let us make it a question of direct taxation, because it is right that we should do it." We think that head-money, as it is now levied, is an indirect tax which may be spent without responsibility,

and we think it would be better expended if the State or city sees the amount they have got to pay, and what is done with it. We advocated the abolition of the tax in Massachusetts because it was unjust; and, further than that, we believed that besides being unjust, it was to the disadvantage of the country at large.

I know, Mr. President, that in speaking of the abolishment of the head-money tax here, which we do as a matter of principle, and which we urge the Board to pass upon, we may criticize laws which exist in some other States. For instance, we know that in the State of New York there is an Immigration Board which has done noble service, composed of men who have served faithfully, without pay, for the love of doing good, and because they saw it to be for the interest of their city; but, at the same time although they may have worked judiciously here under that law, we are opposed to it on principle, and therefore, without wishing to cast any reflections upon the Immigration Board of the city of New York, or any other city, we simply say we think it our duty to oppose it, as unjust and inexpedient, as a whole. We know in the State of Massachusetts we can do the work better without anything of the kind. A steamship can come to East Boston and land her passengers, who, without expense, can step directly into the cars and go to any part of the West that they desire. They are not interfered with by runners; they are protected in their ignorance of this country by proper men who converse in their own language; they are permitted also to take any proper amount of baggage. The arrangements now in Boston are such that if a man comes with half a dozen trunks no question is asked. Therefore they come in thousands to East Boston, and without passing through the city proper, without being interfered with in any way, without being subject to any annoyance or expense whatever, they take the cars for the West, the steamship companies simply being obliged to give a bond to protect the city against loss by paupers. I do not object to that bond, although personally if I were called to vote upon it, I think I should vote against it, for I believe that where there is so small a percentage of real paupers, or sick men or women, compared with the able-bodied, out of the number who land in Boston, it is hardly worth while to tax them. I believe that if a man and woman, who have settled here in the prime of life, want the old people to come over, to be with them and to share in their prosperity, there should be nothing to prevent it. I would encourage immigration by protecting the immigrant in every way, by removing every tax that is unjust, and, by opening our arms to all the world; I would stand where our fathers stood, and say, "this is the land for the exile and the oppressed, where they may enjoy

what we enjoy, the highest ideal of government, and I am sure that in spirit and in truth, we will do nothing to change the work which our fathers accomplished." (Applause.)

Mr. THOMPSON, of Baltimore : I endorse every word the gentleman from Boston (Mr. CANDLER) has said, and I want to vote for his resolutions, which I can do, if he will consent to a slight modification, which is this : to change the words "local governments," in the third resolution, to "local authorities."

My reason is this, sir : that no longer ago than last winter, we had to go to Annapolis, the capital of our State, to defeat a scheme for the appointment of a Board of Immigration. We preferred that the matter should be left where it stands now, without any State interference with it, other than the police, as has been so well suggested by my friend from Boston (Mr. CANDLER). What is true of Boston is true of our city. The immigrant lands on a pier eight hundred feet long and one hundred feet wide. In the centre of the building on this pier is a double track switch of one of our railroads, and the passengers come from the ship, cross about twenty feet, and enter a train of cars in waiting to take them to their destinations. On that pier is an office, under the superintendence of a German society, where money is exchanged, and tickets furnished to any who have not already provided themselves ; but a great many have them, for they can buy at the stations throughout Germany, through tickets to any point in the West. If they have not their tickets they can procure them on the most favorable terms ; and such are the facilities of the steamship company that eight hundred immigrants arriving in the morning have been sent off rejoicing to their destinations in the West the same afternoon. We want to keep that thing as it is, and as a delegate from the Baltimore Board of Trade, I cannot very well vote that the local governments shall take control of the matter, because we have just had to defeat that very thing, and I think that leaving it to the local boards will probably accomplish what my friend from Boston (Mr. CANDLER) aims at.

The third resolution was amended, as suggested, and the series was then adopted unanimously.

XII.—LOCAL CHARGES ON SHIPPING.

WHEREAS, Congress alone has the right to legislate in reference to the national commerce, and to impose taxes upon those who carry it on ; and

WHEREAS, Many local charges, annoying because of their want of uniformity, and oppressive because of their number and amount, are collected at the various ports on the seaboard, and at the river and lake towns, in direct violation, as is believed, of the Constitution ; and

WHEREAS, The commerce of the country, both domestic and foreign, ought to be relieved from every burden not made necessary by the requirements of the national treasury ; therefore

Resolved, That Congress is hereby respectfully urged to intervene for the protection of those engaged in navigation, and to pass such laws as may be necessary to forbid and prevent the exaction of taxes, charges and fees upon shipping, under State or municipal law.

This subject was discussed, briefly, by several delegates, and finally referred, on motion of Mr. SMITH, of Milwaukee, to the Executive Council.

XIII.—OCEAN POSTAL SERVICE FROM NEW ORLEANS.

To ask from Congress such subvention for postal sea service, as may be necessary to give the city of New Orleans, as the seaport of the Mississippi valley, facilities for communication with foreign countries, equal to that of any other city in the Union.

Mr. BURWELL, of New Orleans: As this involves the special consideration of a particular interest, I should be unwilling to undertake to carry it through this Board. I prefer that it should be referred to the Executive Council, in order that some general expression of opinion as to the proper policy of the Government in sustaining a postal sea service should be adopted. I therefore move to refer the subject to the Executive Council.

Agreed to.

Articles XIV, XV and XVI, having reference to the shipping interest, were, on motion of Mr. WETHERILL, of Philadelphia, postponed until to-morrow.

XVII.—GAMBLING IN TRADE.

WHEREAS, The preservation of a high tone of integrity in mercantile transactions should be the earnest desire of all business men ; and

WHEREAS, The practice of making corners in any kind of merchandise, involves the use of means, artificial, irregular and independent

of the influences of a natural supply and demand, thereby demoralizing trade, and injuring the entire business community; therefore,

Resolved, That it is the duty of the National Board of Trade, to express its decided disapproval of a system which substitutes reckless gambling for fair dealing.

Resolved, That the banking institutions of the country should discourage loans to parties known to be engaged in making corners, by exacting such security as would confine their transactions to limits bounded by their actual means.

Mr. HOFFMAN, of Philadelphia: Although this proposition comes from the Philadelphia Board of Trade, I will say merely a word or two about it. I believe it speaks for itself, and that it is hardly necessary to say a word in favor of it. I believe, sir, that Chicago has already taken measures to prevent corners in wheat, and if the rules which have been adopted there are carried out in all our markets, we shall reach the desired end. Therefore, Mr. President, I only rise to move the passage of the resolutions.

After some debate, the subject was, on motion of Mr. BRANCH, of Richmond, referred to a special committee of three, which the President appointed, as follows: THOS. BRANCH, Richmond; THEO. COOK, Cincinnati; C. J. HOFFMAN, Philadelphia.

The Board then adjourned.

THIRD DAY.

THURSDAY, OCTOBER 17, 1872.

The Board was called to order at half-past ten o'clock, by the President, and prayer was offered by the Rev. Dr. LEAVITT, of New York.

The journal of yesterday was read and approved.

Mr. YOUNG, of Baltimore, from the Committee appointed to consider the feasibility of putting into practical operation a system for the interchange of market reports among the commercial exchanges of the country, submitted a report, as follows :

The Committee appointed to consider the feasibility of putting into practical operation a system for interchanging market reports among the Commercial Exchanges of the country, begs to report that upon a careful consideration of the question, it sees difficulties in the way of abandoning the method of transmitting commercial intelligence through the Commercial News Association now in use, and it does not recommend the National Board of Trade to take any steps to that end.

The Committee, however, would recommend that a Committee of three be appointed by the Board to wait upon the managers of the Commercial News Association, to confer with them as to whether any improvement can be made in the reporting of commercial information, and to assist in the adoption of any plan by which the Commercial Exchanges may be able to co-operate with the Association, so that the news may be made as full and correct and valuable as practicable.

For the Committee,

WM. S. YOUNG, *Chairman*.

NEW YORK, October 16, 1872.

The report of the Committee was adopted, and a Committee appointed, in accordance with its recom-

mendation, as follows: W. S. YOUNG, Baltimore ; ALEX. MURISON, Chicago ; C. W. ROWLAND, Cincinnati.

Mr. DODGE, of New York, presented a communication in regard to the construction of a ship canal between Georgian Bay and Lake Ontario, and also a communication in reference to the navigation of canals by steam with iron boats. Referred to the Executive Council.

The Board then took up the consideration of the special order for the morning, being the sixth article upon the programme, with a resolution reported by the Executive Council :

VI.—INLAND WATER COMMUNICATION.

Resolved, That in the judgment of the Executive Council, if any proposition be entertained by the National Board of Trade, looking to an appropriation by the United States, of money, or credit in aid of any work within the limits of a particular State, it should be shown that such State is ready to abandon entirely to the General Government, any and all interest it may have in, and the entire jurisdiction over and control of such work, together with the free and unrestricted right of way, and a release of all private ownership.

Mr. DORR, of Buffalo : This subject having originated with the Buffalo Board of Trade, my colleague, Mr. HAZARD, has prepared something to say upon it, and with your leave I also should like to make a few remarks.

From the West and all parts of the producing country, comes the demand for greater facilities to move the products of the country. Immigration, settling the vast lands of the country that have lain without cultivation from all time, the immense manufacturing and fast increasing industries, are all pressing railroads and water carriage beyond their present capacity. The facilities now for getting property moved to and from the seaboard inland, are not equal to the demand. All routes are overworked ; greater facilities are needed to develop and facilitate the wants and demands of the present time, saying nothing of the great future.

If a bushel of wheat can be produced and consumed on the spot, by some one manufacturing some useful article to sell or exchange,

without transporting it at all, according to some political economist, you realize the greatest amount of wealth from it. Unfortunately you cannot do this. The country is settling and improving. Produce and manufactured articles accumulate faster than railroads and vessels can move them away. Congress has made liberal provisions by grants of land and subsidies to aid the construction of many of the great railroads of the country, while as a rule the water routes have not received the same attention. Believing as I do, that water carriage is the most natural, easy, and cheap mode of transportation, and coming as we do from one of the great lakes or inland seas, whose shores embrace, with their tributary rivers over five thousand miles of continuous water navigation, measuring the coast line on both sides, we naturally feel a great interest in inland water navigation, and deem it one worthy of special interest and attention, particularly at this time, when all routes are so crowded. The subject is an important one. We must try and keep pace with the growth and demands of our great development. We cannot do too much in the way of increased facilities of transportation. No movement pointing to the needed improvements can be justly considered local in character, but it is in the interest of all the people.

I do not mean in advocating the water routes as a mode of transportation, to depreciate or detract from the great railroad interests of the country. Railroads have done too much, and are too important to deserve anything but admiration for the great good they have, and are, daily accomplishing. The mission of both railroad and water routes is a common one, and both should be cultivated and encouraged to their utmost extent, as fellow-workers together for a common good.

In *that* light and in *that* spirit, I would ask the attention and consideration of this meeting, to the views of my colleague, Mr. HAZARD, who will now address you with your permission, on this question of inland water communication, the subject of which was referred to the Buffalo Board of Trade, as set down specially for this morning.

I would say, further, that we at the West all understand this: that we need greater facilities. There is no sectionalism in it. You improve the Erie canal, the St. Lawrence river, or any other route, and you are adding to the prosperity of the country in general. It is not a local thing; it is general, and we hope this meeting will consider it in that light. If my colleague, Mr. HAZARD, advocates the enlargement of the Erie canal, it is not from any local or sectional feeling, it is because it is one of the great arteries of trade. It has done much to enrich the State of New York and the nation at large, and should

be cultivated in all its length and breadth. And so in relation to all other routes.

Mr. HAZARD, of Buffalo: *Mr. President:*—The subject of inland water transportation, and the maintaining and improving thereof by State and national authority as a commercial necessity in controlling and cheapening the cost of transportation, proposed by the Buffalo Board of Trade and discussed at the third annual meeting at Buffalo, was referred to the Executive Council, whose report having been postponed to this meeting, is now in order. The resolutions I had the honor to offer at that time alluded particularly to the importance of maintaining and *improving* the natural and artificial inland water channels of the country as a commercial necessity in controlling and cheapening the transportation of the national products, and also that it is incumbent on every State possessing water-ways, whose traffic is of a local character, to enlarge and improve the same; and furthermore, that it is plainly the province and duty of the General Government to maintain and improve such channels, rivers, lakes and canals, whose tonnage or traffic, being the commerce or product of many States or groups of States in their intercourse with each other, may be considered of a national character. The resolutions contemplate an expression of opinion, or a request by this Board that the General Government take measures in connection with the State of New York for such enlargement and increase of the tonnage capacity of the Erie canal as shall tend to cheapen the cost of transportation between the western and eastern States, thereby adding to the material wealth of the country. An amendment to the resolutions was offered by Mr. GANO of Cincinnati, in which he admits the national importance of enlarging the Erie canal for the purpose of facilitating commerce and cheapening transportation between the interior and the sea-board, but he attaches as a condition precedent to such an undertaking by the General Government, that the State of New York be divested of all ownership and control of the canal, and that its management be vested in trustees, one from each of the States of Massachusetts, New York, Ohio, Michigan, Indiana, Illinois and Wisconsin, and one to be appointed by the President of the United States. Mr. GANO does not propose that the Government shall appropriate a dollar to make the canal a free commercial channel; on the contrary, after obtaining possession and completing the enlargement, the Government is to reimburse itself from tolls on the tonnage. A proposition of this character would find no lack of supporters in Congress, and in my opinion, if carried out, this

great highway of traffic would soon, under political manipulation, become a stupendous maelstrom for the people's money and a great commercial failure. The report of the Executive Council, in some respects, is similar to the amendment of Mr. GANO, and is as follows :

" *Resolved*, That in the judgment of the Executive Council, if any proposition be entertained by the National Board of Trade looking to an appropriation by the United States of money or credit in aid of any work within the limits of a particular State, it should be shown that such State is ready to abandon entirely to the General Government any and all interest it may have in and control of such work, together with the free and unrestricted right of way, and a release of all private ownership."

This report is certainly applicable in some cases, and especially to that of the Fox river and Wisconsin improvement, a work projected many years since by a private company, which, after receiving a handsome subsidy from the Government in money or lands, perhaps both, failed to complete the work. Recently, however, under an act passed by the last Congress, the value of the property has been appraised, and the Government, having *paid the company a fair equivalent*, is now in possession, and it is to be hoped that this important work will be speedily pushed to completion. But to discuss a proposition for the relinquishment by the State of New York of all interest and a complete abandonment of jurisdiction and control of the Erie canal to the Government without equivalent or compensation,—for I do not understand that either of the propositions suggests any, beyond the expenditure of a sum amounting to about one-twelfth the commercial value of the property, a disbursement, perhaps, of eight or ten millions on an estate worth more than one hundred millions of dollars,—to ask the State to give away a property the value of which to the country can scarcely be estimated in money, for a comparatively small appropriation, for improving a great commercial channel which would benefit the whole country, and almost every other State more than the State of New York, assuredly would neither be considered complimentary nor courteous to the proverbial sagacity and commercial reputation of her citizens. With all respect to the opinion of the Executive Council, I venture to say that a proposition of this character would not be entertained for a moment by the people of the State of New York, and therefore it seems unnecessary to discuss it. The original resolutions involved no definite plan, neither would it be proper in my judgment for this Board to suggest details for consideration in a negotiation of this magnitude, but they simply indicate a request that the General

Government, in connection with the State of New York, take measures to enlarge the tonnage capacity of the Erie canal for the purpose of cheapening transportation, etc. Now, if the Government, in its wisdom, should discover that by expending a few millions in enlarging this great artery of trade, it could add an hundred-fold to the wealth and happiness of the country, extend largely the area of population and production, and establish a magnificent highway of commerce and cheap transportation for all future generations, then, in my opinion, it would be the province and duty of Congress, and in perfect accord with the Constitution of the United States, to negotiate conditions for the accomplishment of so desirable a result. I believe the parties are perfectly competent to make their own terms to such an undertaking, and equally responsible for the performance in good faith of any engagements they might enter into. In consideration of such improvement, the State of New York would undoubtedly agree to levy a very moderate toll on the tonnage passing through the canal, sufficient only to maintain the work in good repair and provide a small annual sum for the gradual extinguishment of the present canal debt. Practically, this would insure a free canal without annual appropriations from the Government for maintenance and repairs, and secure in perpetuity what the country so much needs, cheap and reliable transport between the East and West. The problem of cheap transportation in a commercial point of view is paramount to all subjects and seems the most difficult of solution. It has engaged the attention of this Board at all its meetings and impressed every member with its magnitude. It concerns all departments of commerce, the producer and the consumer, the miner and the manufacturer, and, in fact, all the elements which constitute or contribute to the material wealth of the country. It is the key which unlocks the portal of untold wealth and determines the standard of civilization and loyalty. It is therefore eminently proper that the National Board of Trade should give an expression of its views on projects which are in its opinion manifestly national in developing the resources and commerce of the country.

All avenues or channels of traffic, natural or artificial, directly affecting the commerce of a large number of States or groups of States, affording cheap and reliable transit free to all for the products of the country, may with great propriety be considered national in their importance. It would be a work of supererogation to attempt an argument to convince intelligent merchants that such avenues of commerce should not depend on the liberality, pride or patriotism of

the State which happens to lie in the traffic route, and through which these channels, conferring wealth and happiness on millions, pass; they should be considered national in their character, and as such, the recipients of the nation's fostering care and bounty.

It was evident to the eminent projectors of the Erie canal, that while nature had interposed mountain barriers between the East and the West across all the other States, she had hewn a highway through the Alleghanies and laid a plateau westward to Lake Erie, for the future commerce of the millions which were to populate and develop the marvellous riches of that vast and then almost unknown territory beyond the inland seas.

Although years of disappointment and delay intervened, the efforts of CLINTON and his compeers were not slackened until the waters of the Hudson and the lakes were mingled. The little water-way of forty feet by four at once reduced the cost of transportation from Albany to Buffalo from seventy dollars a ton to ten dollars. The tide of immigration began to set towards new homes on the rich prairies of the West, dotting that hitherto almost unknown region with enterprising settlers and imparting a stimulus and intelligence which was destined to verify the prophetic words of BERKELEY "Westward the course of empire takes its way." A few years, however, sufficed to prove that the most brilliant anticipations of the friends of the canal fell far short of the reality—CLINTON's ditch, as it was called, was found too small to float the traffic which crowded to its banks.

An enlargement was commenced in 1835 and completed in 1852, but unfortunately the locks admit boats of only two hundred and twenty-five tons, while the prism of the canal, seventy feet by seven, will float a boat of six hundred and fifty tons. This disproportion necessarily restricts the tonnage and entails a higher cost of transportation than would exist if the locks and prism corresponded in size. The canal has capacity to float twelve million or more tons to tide-water during the season of navigation, but the locks restrict it to between three and four million tons. By enlarging the locks to a size commensurate with the prism, the size of the boats could be increased to six hundred and fifty tons, and the cost of freight in consequence would be reduced nearly fifty per cent., or five cents on a bushel of wheat, and by the introduction of steam the speed would be double that of the present mode of towing by horse-power. Can there be a doubt of the immense national advantage resulting from such enlargement and cheapening of transportation.

The great food producing States, which forty years since were almost unknown, but now the field of vast activities and enterprise, containing a population of more than thirteen millions, are but the gate-ways to an almost boundless extent of fertile territory sufficient for a score or more of States of genial soil and climate, whither the tide of immigration is rapidly flowing, and towns and cities are springing into life like magic, to become the centres of civilization and refinement and the sources of more than an imperial commerce. From the territories of Montana and Washington, and from Oregon and western Minnesota, are now on exhibition in the city of New York, positive proofs of the extraordinary fertility of that great interior portion of our country, consisting of specimens of wheat, barley, rye, oats, vegetables and fruits, which for quality and quantity of product cannot be surpassed, if equalled, in any country.

The cereal product of the United States by official returns, in 1850, was eight hundred and forty-four million twenty-four thousand and three hundred and sixteen bushels; in 1859 it was one thousand two hundred and thirty-nine million thirty-nine thousand and nine hundred and forty-five bushels; in 1869, one thousand three hundred and eighty-seven million two hundred and ninety-nine thousand and one hundred and thirty-three; the year 1871 is estimated at nearly one thousand six hundred million bushels, and we may safely estimate the product of 1880 at two thousand million bushels. Need we speak of the incalculable mineral wealth hidden in the everlasting hills which pour their waters into the Atlantic and Pacific?

Truly, we have a land without scarceness, a land of gold and silver, a land whose stones are iron and out of whose hills thou mayest dig brass. Our exports of wheat and corn to the United Kingdom of Great Britain and Ireland, according to a statement furnished me by E. H. WALKER, Esq., the eminent statistician of the New York Produce Exchange, were as follows for the years named:

		Bushels.		Bushels.
1868,	Wheat,	725,720	Corn,	3,185,036
1869,	"	930,881	"	14,818
1870,	"	23,167,463	"	8,931,611
1871,	"	16,959,763	"	30,225,622

The United Kingdom imported, in 1871, from all countries one hundred and fifty million bushels of cereals, of which the United States furnished forty-seven million one hundred and eighty-five thousand and three hundred and eighty-six bushels, Russia forty-three

million five hundred thousand bushels, and other countries the balance.

The total exports of Russia in 1870 were one hundred and thirty-two million nine hundred and seventeen thousand bushels, while the total exports of the United States for that year were forty million bushels.

It is apparent that, in competing for the supply of the English markets, we have a powerful antagonist in Russia, a country similar to our own in its topography and agricultural resources, active in projecting works of internal improvement for the purpose of cheapening the transportation of its cereals to the sea-board, and determined to hold her supremacy in the markets of the world for the sale of her agricultural products. The comparative cereal product and ratio to population of the countries of Europe, and also that of the United States, for the year 1860 is shown in the able Paris Exposition report of the Hon. SAMUEL B. RUGGLES. He states the product of Russia at one thousand three hundred and fifty-eight million four hundred and thirty-seven thousand and five hundred bushels, being twenty-two one-tenth bushels ratio to population; Germany, France, Austria, Great Britain and Ireland, two thousand two hundred and eighty-nine million five hundred and eighteen thousand and four hundred and forty-two bushels, a ratio of eighteen two-tenth bushels to their population; Sweden, Norway, Denmark, Holland, Belgium and Switzerland, two hundred and three million seven hundred and twenty-three thousand and five hundred and thirty-two bushels, a ratio of twelve nine-tenths; Portugal, Spain, Italy, Greece, the Danubian Principalities and Turkey, six hundred and six million four hundred and ninety thousand and two hundred and eighty-seven bushels, a ratio of nine six-tenth bushels. The product of the United States for 1859, according to the census of 1860, was one thousand two hundred and thirty-nine million thirty-nine thousand and nine hundred and forty-five bushels, being a ratio of thirty-nine four-tenth bushels to the population.

The above shows the product ratio to population in this country to have been much larger in 1860 than Russia, and by the census of 1870 it is still greater. Can there be a better argument for cheap transportation than the fact that this being the largest food producing country in the world, with a steadily increasing surplus from year to year, we require and must have transport at greatly reduced cost for our products or be supplanted by other nations in those markets which now control the price and value of our products. Enlarged and cheap water carriage is demanded by the country as a necessity

in checking and controlling the monopolizing tendency of railroads. In discussing this subject, I do not wish to depreciate in any degree the inestimable value of those great highways of the people's travel and traffic, for it is obvious that they have created vast wealth and are indispensable in the commercial economy of the country. There should be no antagonism between railroads and water channels, both are necessary to commerce, and with its increase both will prosper; but a healthy competition is the life of business, and water channels, natural and artificial, are necessary to keep in check those gigantic organizations which are now stretching their iron arms with overshadowing and almost despotic power over the country, and by consolidation so vastly increasing in wealth and strength, as to control to a great extent the commercial values of our products and crush out competition in the carrying trade. I am aware that the rapid increase of railroads has induced many to believe they would eventually supersede all other modes of inland conveyance. This opinion is undoubtedly correct in regard to their superiority over canals of small capacity dependent on local tonnage on short routes, and also for certain classes of freight requiring celerity of movement. Railways will always take precedence, but it is conceded that on long distances for bulky and heavy tonnage, water carriage will be found the cheapest.

I quote from the New York State Auditor's report for 1872, showing the comparative prices of freight carried by the New York Central railroad and the Erie canal per ton per mile:

In 1866 the N. Y. Central R. R. received	.	.	cts. 2.92
“ “ Erie canal	“	.	1.00
1868 “ N. Y. Central R. R.	“	.	2.59
“ “ Erie canal	“	.	0.88
1870 “ N. Y. Central R. R.	“	.	1.86
“ “ Erie canal	“	.	0.83
1871 “ N. Y. Central R. R.	“	.	1.65
“ “ Erie canal	“	.	1.02

It is evident from the above statement that the canal carries its freight at less than one-half the price received by a parallel railroad.

It may be of interest to quote from the same report a comparative statement of the amount of tonnage arriving at tide-water by the Erie canal during the years named, distinguishing the tonnage of the State of New York from that of the Western States:

In 1837 there were	56,255 tons western,	and 321,251 New York.
1842	" 221,477 "	" " 258,692 "
1847	" 912,840 "	" " 618,412 "
1852	" 1,151,978 "	" " 492,721 "
1857	" 918,998 "	" " 197,201 "
1862	" 2,594,837 "	" " 322,257 "
1867	" 2,129,405 "	" " 96,707 "
1870	" 2,048,947 "	" " 241,751 "

By the above table it will be seen that the New York State tonnage in 1837 was five times more than that from other States. In 1857, the western tonnage was more than four times as much as the local, and in 1870, the western was nearly ninety per cent. of the total tonnage.

On facts like these the Erie canal has fully established its national character,—it is the medium of transport, not for the trifling products of a single State, but for the accumulated agricultural, manufacturing and mining products of a large number of States and territories in their intercourse with each other and with foreign nations. The enlargement of this water highway would prove an inestimable boon to every town and hamlet in New England in cheapening the staff of life, and to the West an incalculable blessing. Corn would assert its superiority over fuel, and the producer would no longer be compelled to give four bushels to transport one to tide-water, as the high rate of freights now compels him to do.

The State of New York heretofore maintained the high toll policy on her canals for the purpose of relieving her people of the burden of a heavy debt (now about ten millions) which her canal system has created, but wiser and more statesmanlike views now prevail, and the low toll system is not only increasing the tonnage, but it is to be hoped that the revenue will make an improved exhibit at the end of the year. With the proposed enlargement adapted to boats of six hundred and fifty tons under a low toll policy, the tonnage of the canal would at once be largely increased, and the saving in expense of transportation would soon cover the cost of enlargement.

The receipts for the year 1871 at the five principal grain ports, namely, Chicago, Milwaukee, Toledo, Detroit and Cleveland, were one hundred and twenty-two million seventy-five thousand and four hundred and thirty-two bushels. A saving of five cents a bushel on this quantity would amount to over six million dollars. It is not on grain alone that a saving would be made, but all classes of freight

would be benefited directly or indirectly by the influence of the canal.

Assuming that the canal governs the price of transportation during the season of navigation, of which there can be no question, can there be a doubt of the salutary effect of such an improvement upon the country, in enabling it to compete successfully for the sale of its surplus products in foreign markets. Can there be a more magnificent undertaking for a great Government than to contribute generously to make a free highway for the products of a people who have derived the title-deeds of their homes at its hands, and who have done such great service in establishing the Government on a firm foundation.

This improvement would largely extend the area of production, increase the commerce upon our lakes and rivers, and encourage the restoration of our national marine and prestige in the foreign trade.

The ports of the St. Lawrence have already attained to a successful competition with our own in the exportation of American products, and the Dominion Government, with most commendable statesmanship, has taken decided measures for enlarging its canals, and also the construction of new and shorter works for cheapening the cost of transportation of products from our Northwestern States. The laws of commerce are so arbitrary and regardless of social and national ties, that traffic will always find the cheapest and most expeditious channels, and it may result, if we rest too long in our fancied security, that the improvements contemplated by our Canadian neighbors may deprive us of the supremacy we now enjoy in our legitimate commerce.

Mr. President, I move that the resolutions offered at the annual meeting at Buffalo, be substituted for the report of the Executive Council.

The PRESIDENT: The resolution of the Executive Council is merely a recommendation. The resolutions before the Board at the present time, are those offered at Buffalo by Mr. HAZARD, with an amendment proposed by Mr. GANO, of Cincinnati.

The Secretary read the original resolutions offered by Mr. HAZARD, and the amendment proposed by Mr. GANO, as follows:

MR. HAZARD'S RESOLUTIONS. — *Resolved*, That the maintaining and improvement of inland transportation by water, natural and artificial, as a commercial necessity in controlling and cheapening the cost

of transportation of the agricultural, mining and manufacturing products of the country, is incumbent alike upon the States and the General Government.

First—Upon States, on such water-ways whose traffic is of a local character; and

Second—It is plainly the province and the duty of the Government to improve such water channels, rivers or canals whose traffic or tonnage, being the commerce of many States or groups of States in their intercourse with each other, may be considered national in its character; therefore

Resolved, That the tonnage of the Erie canal, in its connection with the commerce of the great lakes, being strictly national in its character, it is eminently proper that the General Government should, and it is respectfully requested, to take such measures, in connection with the State of New York, for such enlargement and increase of its tonnage capacity as shall tend to cheapen the cost of transportation between the Western and Eastern States, thereby adding to the material wealth of the country.

MR. GANO'S AMENDMENT. — *Resolved*, That the enlargement of the water-ways through the State of New York, so as better to adapt them to the great commerce that requires them as means of cheap transportation between the seaboard and the interior of the country, would be a work of national character and importance.

Resolved, That as a condition precedent to the undertaking of such work by the General Government, they shall by proper legislation on the part of the State of New York, be divested of all individual and State ownership and control, and their management be vested in trustees, one of whom shall be appointed in such a way as shall be determined to be practicable, by each of the States of Massachusetts, New York, Ohio, Michigan, Indiana, Illinois and Wisconsin, and one by the President of the United States.

Resolved, That when the cost of the completion of such works by the General Government shall have been reimbursed by tolls on them, the tonnage thereon shall be subjected only to such tolls as may be necessary to keep the works in navigable condition and repair.

THE PRESIDENT : It was upon these two propositions that the resolution of the Executive Council was based, expressing what ought to be, in their opinion, the expression of opinion by the National Board upon all these projects of State works. The amendment offered by Mr. GANO, at Buffalo, is now the question before the Board.

If that be rejected, then the question will come up upon the original resolutions offered by Mr. HAZARD.

Mr. HAZARD, of Buffalo : *Mr. President* :—I was under a slight misapprehension. From some conversation with you, I thought the discussion would be upon the report of the Executive Council, and for that reason in preparing what I had to say—for I was afraid to speak without preparation), I had that in view more particularly. Still, sir, I can see that these resolutions of Mr. GANO are in the same spirit with the recommendation of the Executive Council, with this exception : that Mr. GANO recommends a joint commission from the States of Massachusetts, New York, Ohio, Michigan, Indiana, Illinois and Wisconsin, and the appointment of one Commissioner by the President of the United States to take this canal in charge. Now any gentleman can see, it does not require any argument to show, that it is an absurd proposition for the State of New York to surrender property which has a commercial value almost incalculable, a hundred million dollars, to say the least, for the mere pittance of eight or ten millions. I believe the estimate made by Mr. TAYLOR, the canal engineer, in 1863, of the expense of enlarging the Erie canal, was eight millions, and the expense of enlarging the Oswego canal two millions, making ten millions in all. I say it is an absurd proposition to ask the State of New York to surrender this valuable property for the sake of this appropriation from the Government, which is not for the benefit of the State of New York, but for that of the groups of States which lie beyond and on the other side of the State of New York. The State of New York, as you see by the statement of comparative tonnage which I have read to you, sends only two or three hundred thousand tons—less than one-tenth of the total tonnage of the canal for many years—while the West is sending between two and three million tons. In fact the State of New York buys her bread-stuffs from the West ; she does not raise one-half or one-quarter enough to sustain her population. An appropriation of this nature, I say, would be for the benefit of the people of the United States, and the enlargement of this canal would so regulate transportation that the whole country would feel the advantage of it. Not only the West, but the East and the South would feel the good effect of it. It would regulate the price of transportation upon the Mississippi river, and on all the railroads running from the West to the East.

The proposition of Mr. GANO to refer this matter to a joint commission from the States named, is perfectly absurd. It would be impracticable. How would you ever get these gentlemen together? What interest would they have? What would they know about the

commerce of the State of New York, or what might be necessary? Probably these Commissioners would be changed from year to year. It would be a political job. And then, the State of New York, with four millions of people at her back, is perfectly responsible for any contracts which she makes with the Government of the United States. The State of New York does not ask this appropriation. She never has asked for an appropriation from the Government; but we come here as the representatives of the commerce of the country, and we ask for it as something which we think will be for the benefit of the country at large.

A DELEGATE: Who does the gentleman wish to put it under the control of—the State of New York or the Government of the United States?

MR. HAZARD: The State of New York. These resolutions contemplate that the Government shall make an appropriation to enlarge this canal. If it pleases it may make a condition that a sinking fund shall be established for the repayment of this money at some future time. That is for the parties to agree upon. I am perfectly willing to leave the conditions in the hands of the General Government and the State of New York. I believe either party is perfectly able to make any such bargain as may seem best, and perfectly competent and responsible to carry it out.

MR. HOW, of Chicago: I move as an amendment to Mr. GANO's resolutions, the resolution reported by the Executive Council, omitting the words, "in the judgment of the Executive Council."

THE PRESIDENT: I would suggest that this is a general declaration of principle, without any reference to particular works, and if it be merely substituted for Mr. GANO's proposition it might be connected with part of the resolutions of Mr. HAZARD afterwards, so as to express the opinion of this Board in regard to the enlargement of the Erie canal by an appropriation from the General Government. If adopted simply as the resolution of this Board, it would, of course, apply to nothing, but merely be the affirmation of a general principle.

MR. ROPES, of Boston: If I understand the resolutions offered by my friend from Buffalo, (Mr. HAZARD), they merely assert the general principle, that it is incumbent upon the General and State Governments to improve water communications, etc. This amendment offered by my friend from Chicago, (Mr. HOW), seems to be quite general in its character, and to state the necessary conditions on which such a principle may be affirmed by this Board; and it struck me as it was read that the two were perfectly harmonious, and might be

properly passed by this Board, without applying them more definitely than they are applied to any existing system of transportation. Am I right, sir?

The PRESIDENT : Yes, sir, you are right.

Mr. ROPES : Then I should like to say that it strikes me there are a few general principles which ought not to be lost sight of. It is undoubtedly very hard, as my friend from Buffalo (Mr. HAZARD) says, that a piece of property worth a hundred millions should be given up by the State owning it in order to obtain an expenditure of eight or ten millions to make it more available ; and it is perfectly true, as he says, that such a system of transportation benefits an immense range of country. It is not local in its character ; it benefits not merely the State of New York, but a large extent of country, and many States adjacent to and far beyond New York. And yet it seems to me that it lies under the same objection to which all such systems are liable, so long as they are subject to what may be called private or corporate monopoly. By way of illustration let us suppose that this Erie canal is the cheapest route of transportation for all the grain that reaches Massachusetts, and that there is a system of railroads, or of railroad and water communication, entirely different by the northern lakes, etc., by which grain comes to Massachusetts about as cheaply as it comes by the way of Buffalo and the Erie canal ; and let us suppose that the General Government is induced to expend eight or ten millions, thereby cheapening every bushel of wheat brought to Massachusetts by that route, say ten cents. Is it not perfectly evident that those who have control of that system of transportation, the owners of the elevators and others at Buffalo, or anybody else through whose hands that grain passes, will immediately so advance their rates of freight, or the tolls which they charge, or any charges for the use of their elevators, as to get the full benefit of all that reduction in the cost of transportation, secured by the expenditure of the General Government, and the citizens of Massachusetts will not realize one farthing of advantage from the whole arrangement ? That comes simply from the fact that any one who possesses a monopoly of any system of transportation, or any thing else, will always make the most he can out of it.

How can this be obviated ? Evidently by getting rid of the monopoly, and that can only be done either by putting the work in the hands of the General Government, as is proposed in the amendment of my friend from Chicago, (Mr. How), or by making such arrangements that it will not be possible for any combination to create a monopoly. The State of New York has seen more than one such

monopoly. If it chooses it can borrow eight or ten millions of dollars, widen its canals, and make transportation cheaper; and then, naturally wishing to benefit somebody other than the owners of elevators at Buffalo, or anywhere else, it can make certain rules by which the consumer shall derive some benefit from the cheapened cost of transportation. It may establish such tolls as shall in the end repay the whole amount of money which it has laid out, and I trust, if it is liberal, the result will be to cheapen the cost of wheat to all the people on the seaboard.

Now, if the United States is asked to take hold of this matter and furnish the necessary funds, it is evident that the United States ought not to be less liberal, or less attentive to the welfare of its citizens, than the Government of the State of New York. Therefore I think it is obvious, that if the resolution suggested by the Executive Council, and moved as an amendment by Mr. How, should be carried out, the State of New York must at least abandon the leading control of that system of transportation. We often hear the Pacific railroad, the improvements on the Mississippi river, and in the harbors on the sea coast, referred to as evidence that the United States has often made appropriations for the benefit of communication and transportation; but the gentlemen who bring forward these instances forget that in the very nature of things, there can be in such cases no local control. What local control exists over the Mississippi river? When the United States widens or deepens the channels of that stream, or its approaches to the seas, what State can stand in the way, or for a moment interfere with the benefits derived by the commerce of the nation in every such instance? And so it is with the harbors on the sea coast. The United States takes supreme control, and does not allow State or municipality to say one word, or make a distinction of any kind in favor of or against any individual or corporation. That, I think, is what we must claim in this case. If the General Government is to be asked to furnish money to widen the Erie canal, care must be taken to prevent the benefit of this improvement from enuring to a monopoly of any description, either of citizens, or of a State. So far as I can judge, it seems to me that this general proposition is very well adapted to express our opinion in this respect.

Mr. OPDYKE, of New York: I do not feel at all prepared to discuss this question with the fullness and knowledge that it demands at our hands; but, sir, I feel that there is great merit in the original proposition, as submitted by the Buffalo Board of Trade; not, perhaps, in the precise words in which aid is asked from the General Government, but in some form. I feel that the Constitution of the United

States devolves upon the Government the duty of regulating commerce among the several States, and in view of the vast importance of these artificial water ways to the producing States, in order to find a market for their products, I think the Government of the United States is as fully warranted in giving aid to the improvement of a water way, as it is in aiding in the construction of railroads across our western country. We know what untold millions of acres of land it has appropriated to that purpose, and even its own obligations. I believe the people of this country are satisfied with that policy, to a given extent, as prudent and wise, although perhaps in some cases it has been overdone. But here, sir, is a hiatus in the natural water ways of the country from the West to the seaboard. When the State of New York, in the infancy of her commerce, almost, put her hands into her pockets and opened the Erie canal, to the benefit of her own commerce, and the benefit of the producers of the West, no one can doubt that that policy on the part of the State of New York was a very wise one, and has produced very beneficent results. In the progress of time it has been found that with the competition of railroads and the vast increase of the products of the West, it is entirely insufficient for the purposes for which it was originally constructed. Now the question is whether we shall abandon it, and let commerce seek other channels, either on railroads, or in the natural combined with the artificial water ways, constituted by the streams which connect with the great lakes, and allow it to depart out of our own country and go through an adjoining country, thus depriving the people of the United States of the benefit of it. For one I should be very sorry to see a policy adopted so narrow-minded and so niggardly as should permit that vast commerce to pass beyond the boundaries of the United States. The question is, how shall we retain it? I regard it as a very difficult one, and requiring much more consideration than I have given to the subject, to present what I should conceive to be precisely the right policy. But I cannot go quite so far as the Executive Council, and deprive the State of all control over a means of transportation through its own territory, when that property has cost a vast sum of money. Some years ago when we held a State Convention, the subject of the cost of the Erie canal to the State of New York was fully discussed, and the estimates varied from eight millions, the amount still due for the money expended, up to forty millions; but I think it was conclusively shown that there was never a system of artificial water ways constructed so wisely, so judiciously, never any so urgently called for, as the canal system of this State, which has been regarded as the most successful of all the water ways constructed in any country; and yet,

sir, it was found that there was still due from that system of canals to the State of New York, something over thirty millions of dollars. I do not think it would be fair that the State of New York should surrender all of its rights in that vast system of internal improvement, for the sake of putting it into the hands of the United States to be enlarged, and thus to aid the convenience of the West. The State of New York is no longer, save in its commercial interests, which certainly are in this city, very much benefited by that system of water ways. They are valuable; they have a high market value; the State could sell them for a very large sum of money. I should not recommend that, nor should I recommend the surrender to the United States of the entire control of that system of water ways. Nine-tenths of the benefits from the enlargement of the canal would enure to the producing interests of the West, and I can see no reason why the State of New York should surrender all its rights and privileges and interests for the sake of benefiting those Western States. It is true it would get some compensation in its commerce, which centres here, but its agricultural interests, as we all know, would be injured by the increased competition. It would lessen the value of agricultural land in this State quite as much as it would benefit our commerce. Therefore I think there is no just ground for requiring this State to surrender all its right of property in these canals, for the sake of the benefit that would result to other sections of the country. For one I should be glad if this subject could be postponed to a later period in our sittings, that gentlemen might have time to consider it, and endeavor to arrive at a conclusion that will be judicious and sound, and such as will enure to the best interests of the whole country. I venture, therefore, to move the postponement of the matter to a subsequent day, in order that the subject may be reflected upon, and gentlemen may come prepared to consider it more thoroughly.

Mr. BUZBY, of Philadelphia: I do not profess to have given this subject very careful consideration, though I have had, and have now, strong convictions about it; and I am confirmed in them and in the vote that I am prepared to give, by the remarks which have been made in reference to the enormous monetary value of the Erie canal. What gives to it its enormous pecuniary value? The simple fact that it has contributed to the prosperity of the State and city of New York, a thousand fold these values. That is why it is said that to give it over to the United States at any sum that can be fixed, would involve an absurdity and a sacrifice not to be thought of. Still, unfortunately, this Erie canal lies wholly within the territory of the State of New York, and has enriched the State and city of New York,—

as we are all now ready to acknowledge,—to a vast extent. Now, if such have been the results of the construction of this canal, why shall not the State and city of New York undertake that enlargement for themselves? If the question was upon the construction of a new railroad from Albany to Buffalo, I presume no appeal would be made to Congress. It has been cited in illustration that the Government has granted aid to railroads, and so it has, but in sections of the country comparatively or almost totally uninhabited; where there has been no population to sustain such an enterprise, no rich State to aid it, there help has been given; but can such an argument be applied to the great city of New York and the great State of New York, the "Empire State," and "the great commercial metropolis," counting its wealth by hundreds of millions? Will they now go to the Government and say that the rest of the United States should be taxed for the enlargement and support of a purely local work? I think not, sir. And I really do not see, after considering what the Erie canal has done for the State and city of New York, why they should not themselves, in all right and fairness, be charged with whatever further enlargement or improvement of it may be needed. More than that, sir, I find on looking at our proceedings last year at St. Louis, that Mr. MONROE and Mr. THOMAS, of Dubuque, came before us with what they called the Fox River Improvement; they brought forward in favor of that improvement as strong or stronger argument, perhaps, because the people on the territory through which that improvement was to be constructed, were comparatively few and poor; and yet, sir, after a protracted debate, in which those gentlemen exhibited great earnestness and capacity, it was finally decided that the subject should lie upon the table. During the same session the Baltimore delegation brought forward a proposition for the construction of a canal between the Chesapeake and Delaware waters, and that also was coolly received, and did not obtain the sanction of the Board.

Now, what was the feeling in the minds of gentlemen that led them to withhold their approval from those measures? Simply that they recognized the fact that if they once undertake this business of legislating in regard to internal improvements in one quarter of the Union, they will have to continue it in every quarter, and that without properly digesting the various propositions offered here, gentlemen would be obliged to adopt them wholesale, and I think impair somewhat the character of this Board for eminent stability by lending its sanction to heterogeneous projects of all kinds, without exactly knowing to what they tend or what would be the result.

The Government of the United States has at the present time a policy which I believe we generally approve: that is to work itself out of debt, with a consequent reduction of taxation. I do not advocate a mean and narrow-minded policy any more than any other delegate here; on the contrary, I believe in liberality, when it can be wisely and judiciously exercised; but then, before we go into these very large expenditures, we should see that we have had time and means of observation to know that the objects whereon we vote affirmatively are such as deserve our vote of affirmation; and I am not satisfied that many of the projects of that kind offered here do receive that consideration, or that we can get the information which would make it wise for us to attempt their support. With these views, and guided by the previous action of this body, I move that the whole subject lie on the table.

This motion was carried.

Mr. TAYLOR, of Cincinnati, presented the report of the Committee appointed to confer with the deputation from the Dominion Board of Trade, in regard to reciprocal trade relations with Canada, as follows:

WHEREAS, It has been represented to us by the delegates from the Board of Trade of the Dominion of Canada, that in their opinion the people and Government of Canada would cheerfully assent to a reciprocal treaty of trade that would be mutually advantageous to their country and our own, by the free interchange of necessary commodities, and the cheapening of the transportation of grain and other exports to the seaboard; and

WHEREAS, It is the duty of the National Board of Trade to exert its legitimate influence in promoting all measures calculated to increase the trade of the country and its industrial and commercial prosperity; therefore be it

Resolved, That the Executive Council be instructed to memorialize Congress to make an appropriation for the appointment of a Commission to act in conjunction with the State Department in negotiating a treaty with Great Britain for reciprocal trade with the Dominion of Canada, on a broad, comprehensive and liberal basis, which shall also include the enlargement of the Canadian canals by the Government of Canada, and the right of American vessels to navigate the

said canals under the same conditions as are imposed upon Canadian vessels.

S. LESTER TAYLOR, Chairman.
N. K. FAIRBANK,
JOHN W. CANDLER,
WM. S. YOUNG,
RICHARD HAWLEY,
CLINTON B. FISK,
JOHN P. WETHERILL.

On motion of Mr. TAYLOR the report was accepted, and made the special order for to-morrow morning, after the transaction of the preliminary business.

Mr. COOK, of Cincinnati, in behalf of the majority of the Committee appointed yesterday to consider the subject of Gambling in Trade, submitted as their report the following resolution :

Resolved, That the National Board of Trade expresses its decided disapproval of a system which substitutes reckless gambling for fair dealing, and would urge upon the commercial organizations of the country the making of such rules as will cure the evil.

THEODORE COOK,
C. J. HOFFMAN.

Mr. BRANCH, of Richmond, as a minority of the Committee, presented the following resolution :

Resolved, That the National Board of Trade desires to express its unqualified disapproval and condemnation of the system of reckless gambling in stocks, gold and merchandise, which has become so common in our largest commercial centres, and that it regards this class of transactions as essentially dishonest in their character, utterly indefensible on every ground of moral principle, and certain to result in the deterioration of our national character ; and we call upon our constituent bodies, and all who are in any way associated with us, to lend their aid in discountenancing and discouraging, by every means in their power, these unwarrantable diversions of trade and commerce from their legitimate channels and objects.

Mr. BRANCH moved to substitute the minority report for that of the majority, which, after some discussion, was lost.

Mr. FAIRBANK, of Chicago, then moved to amend the majority report by striking out the words after "commercial organizations of the country," and inserting as follows:—"to repeal all rules which tend to foster this evil, and to enact such rules as shall prevent it."

Mr. COOK, of Cincinnati, accepted the amendment.

Mr. LIPPITT, of Providence, moved to substitute for the report of the Committee the resolution printed in the programme.

Mr. FAIRBANK, of Chicago: I hope the report of the Committee will be adopted, rather than the resolution on the programme.

Mr. FISK, of St. Louis, called the previous question, which was ordered, and the report of the majority of the Committee was then adopted.

The Board adjourned to Friday morning, at half-past ten o'clock.

FOURTH DAY.

FRIDAY, OCTOBER 18, 1872.

The Board re-assembled at the regular hour, the President in the chair.

The journal of yesterday was read and approved.

Mr. How, of Chicago, from the Committee on Credentials, to which was referred the application of the St. Paul Chamber of Commerce for leave to withdraw, reported in favor of granting the request. Agreed to.

The same Committee also reported in favor of allowing the Cleveland Board of Trade to withdraw upon payment of the assessment now due from it. The report was adopted.

IX.—TARE ON LOUISIANA SUGAR.

On motion of Mr. MURDOCK, of Mobile, the ninth article on the programme was taken up.

On motion of Mr. WHEELER, of Mobile, the following resolution was adopted :

Resolved, That the National Board of Trade urgently requests the Chamber of Commerce of New Orleans to determine upon a suitable and proper tare upon Louisiana sugar, with the object of quieting or satisfying the numerous planters and dealers in that article.

TRADE RELATIONS WITH CANADA.

The Board then took up the special order for the morning, being the report of the Committee appointed to confer with the deputation from the Dominion Board of Trade, and the report and accompanying resolution were read. (See p. 115).

Mr. TAYLOR, of Cincinnati : The preamble and resolution state briefly the reasons which induced the Committee to make this

report and recommendation. I suppose it is generally known to the members of the National Board of Trade, that under the old reciprocity treaty with Canada there sprang up a very large trade, and a trade which increased continually, and I presume that everybody will assent to the proposition, that no trade will be long continued that is not mutually profitable; the fact that there was a large and increasing trade between the two countries is conclusive evidence that that trade was profitable to the parties who carried it on.

That treaty prevailed from 1854, I think, to 1864. It was not repealed because it was a failure in a commercial sense, but it was repealed, I may say, in a moment of just indignation. It was repealed for political reasons growing out of our war, and the position which some of our Canadian friends assumed, the St. Albans raid, and other things. We were in a bad humor at the time, and probably made a commercial mistake. We have now got into a better temper, and we can look at this thing in its true light.

Now our Canadian friends come before us and say that they are prepared to enlarge the provisions of a treaty. The old treaty was confined to the free interchange of the products of the soil, the forest, the ocean, and the mine. They say that they think their Government would be prepared to admit a variety of American manufactures, perhaps not the finer textile fabrics, but some of the coarser manufactures, and that the treaty would have a much wider scope than the one which prevailed for ten or eleven years, and which was advantageous to both countries.

In connection with this trade which they offer to us, and this opportunity to sell certain of our manufactures to four millions of people, they are ready to enlarge their canals, and to give the use of them to American vessels on the same terms as those imposed upon Canadian vessels. Now I do not believe, as some persons seem to do here, that cheap transportation is the chief end of man, but I do believe that it is a matter of very great importance, and if you can lessen the cost of transporting a bushel of wheat from the North-west to the sea-board, you put just so much more money in the farmer's pocket, and when the producers,—because all wealth comes out of the soil,—are amply remunerated, then the country must prosper. If the farmer in Illinois can have his wheat net him ten cents a bushel more by a new route of communication than it does now, he is so much more prosperous. It is notorious that the facilities for the transportation of the cereals of the West to the sea-board are insufficient; they have been so, and will continue to be so, necessarily, for many years, perhaps forever, because production increases with greater rapidity than

the means of transportation. Our Canadian friends happen, fortunately for them, to have the only practicable communication between Lake Erie and Lake Ontario. You enter their canal in a good harbor, and you go out into a good harbor, and I take it that all present who have navigated the lakes will say that theirs is the only practicable means of communication between the two greater lakes. They have a canal there now of very great capacity, but they offer to make it capable of receiving steamers of one thousand tons burthen, and to admit American steamers on the payment of the same merely nominal tolls that are charged on Canadian vessels. I think there is a general impression here that under the Treaty of Washington our vessels have a right to pass through the Canadian canals on the same terms as Canadian vessels. This is not so. The Canadians have the entire control of those canals. We have the right to the navigation of the St. Lawrence, but the canals are local, and they only have control over them. In this connection I will say that two years ago the Governor of Vermont recommended that no reciprocity treaty should be accepted that did not compel the Canadian Government to construct a canal between the St. Lawrence river and Lake Champlain,—a matter of great importance to New England, and even to New York. Now a ship canal is probably practicable there, but I do not know whether our Canadian friends are prepared to construct it; but our recommendation is confined to this: a proposition to negotiate a treaty on a broad, comprehensive, and liberal basis, that shall be mutually advantageous. That is all we ask. Unless we can negotiate such a treaty on a broad, comprehensive and liberal basis, to be mutually advantageous to both countries, we do not want it; but we ask Congress to make a small appropriation for a Commission to act in conjunction with the State Department in seeing whether we cannot negotiate a treaty which shall be of great benefit to us and to the Canadians. They have some articles which we need very much; their lumber has become an absolute necessity with us; they hold nearly the entire supply for this continent, and the farmer of Illinois should have that lumber at the very lowest possible price. He needs it just as much as he needs clothing; it is just as great a necessity to him. They have coal, which is very important to the manufacturers of New England, and which it is necessary that they should have cheaply, in order to maintain their position. The trade between the two countries is something like seventy-two millions of dollars annually, the Canadians taking about thirty-seven millions from us, and we sending about thirty-five millions to them, notwithstanding the heavy duties on each side of the line. Their free list is much larger than ours; their duty is not so high as

ours, but it is very considerable. Of course these delegates have no more power on these matters than we have, but they believe that they represent the feeling of the Canadian people and Government when they say that they would cheerfully assent to a treaty upon a broad, comprehensive and liberal basis, which shall be mutually advantageous to both countries. We felt that it was better, instead of going into any great detail, to confine ourselves to this simple recommendation, that a Commission be appointed who should endeavor to negotiate a treaty. We put only one condition. We look upon this matter of transportation of the cereals of the West as of such great importance, that we thought we would advise the Government that it at least should enter into the conditions. It may be well perhaps for the Commission when it shall come to negotiate the treaty, to insist upon the construction of a canal between the St. Lawrence and Lake Champlain. We know that our Canadian friends are prepared to make large concessions, and as our trade with them is already very large, we should like to see it increased. We think we can swap jack-knives with anybody; we think we understand the laws of trade as well as they do, and that the larger our transactions are with them the greater will be our profits.

The proposition presented by the Committee is so simple and plain, committing us to no treaty unless it shall be an advantageous one, that we think it will pass the house without any debate. We hope it will. We simply ask for the appointment of a Commission. I may say, however, that if the Government shall accede to our request, and shall appoint a Commission, there are members of this body whom we should be glad to see upon it as the advisers of our Government.

Mr. McCREA, of Chicago: I shall say only a few words in regard to this subject. I believe in reciprocity to a certain extent, and I believe if we can arrange a reciprocity treaty with Canada, now that the feeling of retaliation is over, and Canada has set us such a good example, it may be very advantageous. It is very important that we should have lower priced lumber from the forests of Canada. If there is any such thing as cruelty in our legislation, it is found in the idea of taxing Canadian lumber. Gentlemen, if you would only go to the broad prairies of Illinois, Iowa, Kansas, or Nebraska, where they draw their supplies of lumber from the Chicago market, and see those poor husbandmen, struggling as they are obliged to do, I think you would all be in favor of some measure which would allow Canadian lumber to enter this country free of duty. While with our friend from Philadelphia, (Mr. WETHERILL), I believe in protecting our young and struggling industries until such time as they can compete

with the industries of older countries, I believe it is time now that Canadian lumber should come into American territory free of duty.

Our lumber forests are dwindling very fast; they are disappearing year by year. The great lumber interests of the Northwest, and particularly the lumber owners and dealers in the Northwest, have become the millionaires and capitalists of that section. They own pine lands by tens of thousands and hundreds of thousands of acres, and there is no earthly necessity for taxing that product now any more than there is for England or any other country in Europe taxing our corn. I think that the gentleman from Philadelphia (Mr. WETHERILL) will admit now,—although I inferred from his reading of the law the other day that he thought it was not so,—that there is a duty of about two dollars a thousand on pine lumber, and if you would go to the prairies and see who buys the lumber, and see the farmer who brings in a load of corn and sells it for about eight dollars, when the same weight of the most common lumber he can buy will cost him from twenty to twenty-five dollars when he loads for home, you would agree with me. On those prairies there is not lumber enough on a thousand acres to make a whip stock, and everything which shelters the farmer or his flocks has to be brought from Canada, and is made to pay a duty, or a bonus must be paid to our home manufacturers. This seems to me cruel, and I hope the Board will give expression to a sentiment in favor of allowing lumber to come into the United States duty free.

Our forests in Wisconsin and Michigan are dwindling away, and in a few years there will be none there; and with our forests go very largely the fruit crops of the country, because we all understand that the forests largely protect the fruit trees of that region. On the northern shores of Lake Huron there are large forests almost untouched as yet, and quite as accessible as the forests of Wisconsin and Michigan. If you will look this thing over, you will see it is a matter of justice, and this tariff upon lumber, small as it may be, has retarded the settlement of the Northwest very much.

In regard to the cost of transportation, which my friend from Cincinnati (Mr. TAYLOR) has spoken of, we feel that very much; we need cheaper transportation between the West and the Atlantic sea-board; but we think we have some compensation in that respect, for if we do not get cheap transportation to the ocean, the poor and surplus population of the Atlantic sea-board will move nearer to our grain fields, and therefore we shall increase our population, and with an increase of population will come greater prosperity in that direction.

As a Western man, and as a man whose interests are largely in connection with our prairies, and having quite an extensive knowledge of the way matters are conducted there, I deemed it right for me to say thus much to this Board; and, gentlemen, whatever your conclusions may be on this matter, if you will give some expression whereby lumber shall be placed upon the free list, I think the coming together of this Board will be a great benefit.

Mr. WETHERILL, of Philadelphia: I think, sir, that I certainly cleared myself from all blame, as suggested by the gentleman from Chicago, (Mr. McCREA,) when I signed the report of the committee. It seemed to me that that covered all necessary ground, and that I should show not only to the gentleman from Chicago, but to other gentlemen present, that I was certainly in favor of this reciprocal trade.

Mr. McCREA: That had entirely escaped my memory. I had forgotten that the gentleman's name was upon the paper.

Mr. WETHERILL: At the same time, I desire this Board to look into this matter. It is purely a question of self-interest, and that, after all, is the governing motive of all business men in practical business questions. We want something of Canada, and Canada wants something of us. There are disadvantages on the one side and disadvantages on the other side. This Board has not the time to go into the details of the work, and we want a Commission sharp enough and careful enough and prudent enough to take care of the interests of the United States; and I will be bound that the gentlemen from Canada will be equally sharp, equally careful and equally prudent in looking after their interests. As I understand it, this is the gist of the whole thing; but to my mind the fact that the Canadian gentlemen, in offering us the tempting bait of a little cheaper transportation, in saying to us, "If you will do thus and so, we will not only agree to reciprocal trade, but in addition thereto, we will also agree to spend thirty millions of dollars in order that the great Northwest may have cheap transportation," show clearly and distinctly that the question of transportation and the question of competition between canals and railroads owned and built by English capital, as against canals and railroads owned and built by American capital, will also be a question for consideration. I should have much preferred to have this matter come up plainly and simply on reciprocal trade, and reciprocal trade alone. If the Canadian gentlemen think they can make money by expending thirty millions in improving and widening their canals, in order that they may receive

part of the benefit of this great surplus of grain which is now coming to us from the great Northwest, those canals will be built; the Canadian gentlemen intend to build and intend to widen those canals, and they come to us as prudent business men, and they say to us in this matter of reciprocal trade, "We will also, in addition, give you this advantage."

Now, sir, as I said before, I should have preferred to have voted upon the question of reciprocal trade, pure and simple, without regard to any additional advantage given to us by increasing the facilities for transportation. Then, I think, we could understand the merits of the question better; then, I think, we could look into the matter with greater care for the interests of the United States; but I can see that if the men having this matter under consideration have that question of cheap transportation before them, it may, perhaps, blind their eyes a little to the very important interests of the United States, and while they look upon this matter of transportation as the very life, perhaps, of the great Northwest, it may cloud their vision when they come to consider the advantages and disadvantages to other great interests of this country, which also should be looked after.

I have supposed that this Board, perhaps, would not agree to subsidize any trade. I am in favor of subsidies, proper, fair and just, and I do not know, in regard to this question of lumber, if the lumber men require a subsidy,—because it is an indirect subsidy,—that I should be opposed to granting it, absolutely. I, in my business, am forced to pay a proportion of the tax laid upon us. The war brought this tax upon us, nothing else. The people of the United States must be taxed, to pay the debt and support the Government, no less than from two hundred and fifty to three hundred millions of dollars annually; and although it is unfortunate that the lumber trade should be made to bear a part of this burden, yet so it is, and if this lumber trade is such a vast interest in the country, is such a vast interest in the great Northwest, (and I admit it,) if they will agree to subsidize some other interests in which the people on the seaboard feel a deep interest, then, perhaps, I may yield in regard to lumber; but indirect subsidies are just as much subsidies as money paid directly by the Government.

Let us look that question fairly and squarely in the face. However, I feel that I am wandering from the subject. I only rose to say that this report meets with my approval and has my signature.

MR. AMES, of Oswego: The gentleman who spoke last upon this subject has referred to the indirect subsidies that are likely to be paid by the reciprocity proposed by the resolution. Now, sir, it will

be borne in mind that yesterday the gentleman upon my left, (Mr. HAZARD,) with much learning and argument, undertook to satisfy this Board of the propriety of cheapening transportation, which my friend from Cincinnati (Mr. TAYLOR) has remarked, is not entirely the chief end of man. Sir, that subject seems to be ignored and left for after consideration. I look over this programme, and I see nothing said upon an important and interesting subject that has hitherto more or less agitated the National Board of Trade,—the construction of the Niagara ship canal, which has been so many times brought to the consideration of public bodies and of Congress. It is now so ignored that it lies and sleeps. When we see that our Government neglects so important a work as the Niagara ship canal,—the opening of a communication between the upper and the lower lakes and the St. Lawrence, that should carry us to the Atlantic,—when, I say, we see that ignored and passed over, may we not accept this offer that presents itself, when our neighbors in Canada come forward and in their generosity say, “In addition to the reciprocity hitherto existing profitably to you and to us, we tender you the boon of free transportation, cheapening it from three to five cents a bushel, bringing it down to the lower lakes; and then, if you have not the enterprise, if you have not the capital, if you have not the interest to carry it to New York as cheaply as it can be carried down the St. Lawrence, with its heavy incumbrances, then let it come down the St. Lawrence, then let the wide prairies of the West receive the advantages of reciprocal trade with Canada, then let New England have her cheap freight and carry her manufactures to the West, and then let the freight of the West find its outlet through Canada.

I look upon this enterprise as one of the grand stimulants that shall make New York borrow, as was said yesterday, ten millions of dollars to widen the Erie canal, so that it may bring down a thousand tons at a time. This competition will stimulate the enterprise of our country, and in this respect, I regard it as one of the grand features of this reciprocity which must enure to our advantage.

I need not dwell upon how much has been done hitherto in reference to connecting the East with the West, through the Niagara ship canal, but I will touch briefly, as I perceive our time is limited upon this matter, upon another branch of this subject. Just so long as we keep a Chinese wall between Canada and ourselves, just so long we stimulate their manufacturers and their capitalists to the application of inventions, to the building of railroads, to the enlargement of their canals, and to everything that will operate against us, and especially against this great city and the commerce on the Atlantic.

If we leave them to depend upon their own exertions, if we leave them to go to the West Indies through Quebec, if we leave them to go to Europe and China in that direction, we shall get them so fixed in that channel that they will never turn out of it hereafter, or come and shake hands with you when wiser counsels shall prevail.

It is not the question of duties alone that is interesting in this matter; it is not that alone which is to be taken into consideration on this question. Our friends should have cheap lumber on the prairies, and we want the commerce of the West Indies. I have been told that twenty million feet of lumber have been exported the past year *via* Quebec, whereas it used to go *via* New York. It is a fact that the current of trade is tending in that direction. The commerce of the United States is worth five times as much as all the duties we ever got in the world. My friend in Troy gets on every thousand feet of lumber seventy cents, and the United States gets two dollars; but the canal man who carries that lumber up on a canal boat, or the railroad which carries it, gets three or four dollars; and if you bring it to the State of New York they get five or six dollars; and the wharf owner on the shores of Lake Ontario receives his wharfage and commission, which will build up commerce and business there; and when it shall come to New York, it gives you business to the West Indies, where you will get sugar in competition with that of New Orleans.

Mr. President, the ramifications of this business are so varied and extensive that if we were to undertake to go into a detail of facts and figures showing how much more we shall gain by reciprocity in this business than we now do, it would require more time and attention than I have been able to give to the subject; but whatever may be its ramifications this question has but one side, and that side is in favor of the United States and not of Canada.

Has not the policy of the Government of the United States been that of protection? Why, one of the distinguished candidates who is now up for the presidency, has hung his hat high on that horn, and has made himself more notorious than on any other political measure. We have prospered under protection; we have grown to the magnitude of our present stature and strength, and length and breadth, under protection. Now if we shut Canada up, our nearest neighbor, and make her protect herself, as we do, will she not bring herself into the position of a competing empire, that will be to us what we are to Great Britain? Gentlemen, these things should be taken into consideration in due time. If we extend the right hand of fellowship to Canadians, we shall, through our cheap manufactures, and the large capital we have at command, draw them necessarily to us to buy our shoes

and our manufactures of every kind and nature. Nay, they will come here to buy the machinery that they want to use to establish manufactures, and New England will flourish with reciprocal trade, when Canada shall bring its lumber, its wheat and its barley, and return with the manufactured articles of Massachusetts, and thereby give to our railroads that profit which is essential, and which was relied upon when they were built.

My friend from Cincinnati, (Mr. TAYLOR), has said that it was in a spirit of indignation that, on the expiration of the ten years during which the reciprocity treaty was to exist, it was abrogated. I have no doubt that there was more or less of indignation in the bosoms of some, but, sir, it arose more out of a disposition not to make an exception in favor of one foreign country as against others in the taxes necessary to be imposed to sustain our Government. It became essential that every means of revenue should be made available, that we might go forward in the payment of our debt, in the liquidation of the principal and the interest upon it, with that promptness and punctuality which we have seen, and which have given us a proud name the world over. Therefore it was considered incompatible with the best interest of the country that Canada should be made an exception. I received several communications from Canada asking if I, humble as I was, would not co-operate with others in the endeavor to secure the perpetuity of that treaty. My answer always was, the circumstances of the case are such that it would be unwise and injudicious; but the time will soon come when this subject may be judiciously handled and brought to a more happy consummation. I think that time has now come. Our Government has gone to the full extent of taxation; it has gone to the length and breadth of its ability, from the necessity of the case, and we are now dropping one after another of the items of taxation and revenue, and we have come to the point where we can judiciously give up the revenues arising from the exports from Canada without even feeling it, and pay our debt, and the interest upon the same, maintain our integrity throughout the world, and do a wise and judicious thing for ourselves and for our neighbors.

Mr. SARGENT, of New Haven: As the manufacturing interests of New England are not very largely represented in this body, I desire to say a word for them. We are as much interested in cheap lumber at the East as are the people on the prairies of the West. We are obliged to compete in the price of our manufactures with the cheaper labor of the older countries, and it is of very great importance to us that we shall be able to provide for our laboring people cheap means of living, including cheap houses. We are building

up these very rapidly in the interior towns, especially the cheaper class of wooden buildings, and the increasing cost of lumber is a very large tax upon labor.

There is another point. The manufacturers of New England are very desirous, naturally, of increasing their trade with Canada, and we are not afraid either, of opening the subject of absolute free trade. Gentlemen from the South and far West usually think that we of the East are all high tariff men, in which they are very much mistaken. With absolute free trade in the raw material, we are entirely willing to throw down the gauntlet to the whole world. (Applause). We feel ourselves entirely able,—with the exception, perhaps, of some new articles of manufacture,—to take care of ourselves; and I propose, not only in the interest of New England, but in the interest of the West and of the whole country, the following amendment to the resolution: after the words, “upon a broad, comprehensive, and liberal basis,” insert the words—“based upon absolute free trade in the products and manufactures of each country, and the use of all means of transportation in either country by citizens of the other, on the same terms as by citizens of the country in which that means of transportation is situated;” also strike out the provision asking for a compulsory enlargement of the Welland canal. I think, sir, that the self-interest of the Canadians will induce them to use British capital to enlarge the Welland canal, so far as may be necessary to command, if possible, the trade of the West; and if they do so the people of New York will see the necessity of enlarging their canals also, in order to retain or recover their share of the business. I think these improvements can be left to the selfishness of either nation.

Mr. WETHERILL, of Philadelphia: The gentleman from Chicago, (Mr. McCREA), has alluded to a remark that I made yesterday in regard to the tariff on lumber, and as I do not desire to be placed in a false position before this Board, I will read the entire section of the law in reference to the reduction of duties on lumber. I am not very familiar with the lumber business, and therefore I was led into the error which I made yesterday:

“On sawed boards, plank, deals, and other lumber of hemlock, white wood, sycamore and bass-wood, one dollar per thousand feet, board measure.

“On all other varieties of sawed lumber, two dollars per thousand feet, board measure: *Provided*, that when lumber of any sort is planed or finished, in addition to the rates herein provided, there shall be levied and paid, for each side so planed or finished, fifty cents per thousand feet; and if planed on two sides, and tongued and grooved, one dollar and fifty cents per thousand feet.

“On hubs for wheels, posts, last-blocks, wagon-blocks, oar-blocks, gun-blocks, heading-blocks, and all like blocks or sticks, rough-hewn or sawed only, twenty per centum, *ad valorem*.

- "On pickets and palings, twenty per centum, *ad valorem*.
- "On laths, fifteen cents per thousand pieces.
- "On all shingles, thirty-five cents per thousand.
- "On pine clapboards, two dollars per thousand.
- "On spruce clapboards, one dollar and fifty cents per thousand.
- "On house or cabinet furniture, in pieces or rough, and not finished, thirty per centum, *ad valorem*.
- "On cabinet wares and house furniture, finished, thirty-five per centum, *ad valorem*.
- "On casks and barrels, empty, and on sugar box shooks, and packing boxes of wood, not otherwise provided for, thirty per centum, *ad valorem*."

That covers the entire reduction of duties upon lumber, and I hope the explanation will be satisfactory to the gentleman from Chicago, (Mr. McCREA).

Mr. McCLAVE, of Newark: I merely wish to make a remark. The recommendation of the Committee in regard to this Commission is all very right and proper; but we who have taken so much interest in this question of the removal of the duty upon Canadian lumber, fear that perhaps this Commission may not be appointed by our Government, and therefore I rise for the purpose of moving that this subject be continued upon the official programme for next year.

In regard to the remarks of the gentleman from Philadelphia, (Mr. WETHERILL), in reference to the tax upon lumber being one dollar, specific, the tax is, as I stated it in my remarks the other day, two dollars a thousand feet. That is, it is two dollars per thousand feet for the bulk of the imported lumber from Canada. The lumber mentioned as being subject to a duty of one dollar per thousand, is a mere nothing compared with the amount of lumber coming into this country upon which we have to pay a tax of two dollars per thousand feet, and as I argued the other day, I think this tax is an unjust one, considering the amount of the home product, and the amount we import from Canada. As I stated the other day, we do not look deep enough into this question. The tax that the Government derives from the eight hundred million feet of lumber that we import from Canada, amounts to about a million and a half of dollars, while we manufacture in this country from six to seven hundred thousand million feet. In consequence of this direct tax being imposed upon the eight hundred million feet imported from Canada, we are forced to pay for our home product something like eleven millions of dollars. These are the facts in the case, and it is on this ground that I say the tax is a very unjust one.

Without detaining you longer, I would merely say that if this subject is to be disposed of by the adoption of the resolution presented by the Committee, I wish it to be continued upon the official programme, for discussion at the next meeting of the Board.

Mr. MCGIVERIN, of Hamilton : I only intend to make a few remarks, but as a representative of the Dominion Board of Trade, I think there is some misapprehension by this National Board of Trade in reference to our position on this occasion.

It is quite apparent, I think, to all, that the impression is that the representatives of the Dominion Board of Trade attend this meeting for the purpose of soliciting the enactment of a reciprocity treaty. It has been said that we are holding out "tempting baits," by offering the free navigation of our canals. I have only to say,—and I think I speak the sentiment of my co-delegates here,—that we have no such idea. Through your courtesy, Mr. President, and that of the Board, we attend this meeting, and I am sure we all feel much pleasure and interest in the discussions. I think I represent the feelings of Canadians in saying that it was not their fault that the reciprocity treaty was abrogated. We always desired the perpetuation of that treaty ; we believed that the people of the United States were benefited by an interchange of the products of the two countries, and we still entertain that belief. Other views were entertained by the people of the United States at the time. Whether this was in consequence of the irritation arising from the war, or from a desire to increase the revenue, it is not for me to say ; but I am sure I represent the people of Canada in saying, that what we wish for is free trade with you, and I am satisfied that a large portion of the people of Canada desire to increase and enlarge the treaty, on a fair and liberal basis, between the two countries.

Mr. President, I have nothing more to say on this occasion. We quite understand the views entertained by the people here. If this resolution is carried, I am safe in saying that at our next meeting the subject shall be fully discussed, and I believe the people of the United States will not feel that we are wanting in liberality in responding to the views and feelings of this Board of Trade. (Applause.)

Mr. AMES, of Oswego : I am happy to have heard the gentleman's brief explanation in regard to the position occupied by the people of Canada on this question. It is precisely what I supposed. But I rose, sir, to object to the amendment offered by our friend from New Haven, (Mr. SARGENT). If I correctly understand this canal improvement policy of Canada, it is there, as such subjects often are here, made more or less a political question, and for a series of years

there has been one party favoring this and another that, until finally the popularizing of that measure has reached the point where the Government has felt safe in making advances for the enlargement of the canals, without the fear that ministerial heads will be cut off. When a party in a Government is disposed to commit itself to a public and politic measure, that is more or less opposed by the antagonistic party, and the results of which, regarded as a party measure, are more or less doubtful, they wish to obtain all the strength they can as they pass on, to fortify them in that position. Now if we should leave this question out, in accordance with the suggestion of my friend, (Mr. SARGENT), it would look as though we were indifferent in regard to it; nay, more, rather claimed the privilege of free navigation of their communications, but, on the whole, hoped they would not increase or enlarge them, because if they did they would come in competition with us; and this may be seized upon by the opposition, and used against this enterprise. If we put this in the programme as one of the desirable things sought for by us, the party in favor of this measure, and those who have now got the prosecution of it in their hands, will be strengthened by being able to say that it is desired by the United States, and if desired by them then they mean to make use of it, for they have no desire for an object that is not to be of advantage to them. Consequently I want it left in the broad sense in which the resolution expresses it—that we claim an advantage in that respect, and therefore are unwilling to relinquish it. Nay, more, gentlemen, there is in that resolution more than you are aware of. If this Welland canal is enlarged, I should be willing almost to enter into a bond that every bushel of grain coming to the New England States, and even east of the Hudson, will be three cents a bushel less, and every hundred pounds of merchandise going from the Atlantic States or from New England through to the West, will reap an equal advantage, and if we are to reap such an advantage out of collateral considerations in the reciprocity treaty, I think it is well to have it embodied boldly and fearlessly.

Mr. YOUNG, of Montreal: I have very little to add to what my friend Mr. MCGIVERIN, the President of the Dominion Board of Trade, has said on this point. On the formation of the Dominion Board of Trade some two years ago, you, Mr. President, sent a communication to our Board from Boston, stating that you should be happy to meet and confer with us as to what could be done to increase the facilities of communication between the two countries. We met upon that occasion, we have met since at St. Louis, and we meet now for the same object. The resolution which has been proposed by the

Committee meets the case fully, in my opinion, so far as it is possible for this Board to go. We in our Board in Canada have no power whatever over our Government, and you are in the same position with respect to your Government. All that either of us can do, as a body of merchants, is to recommend any action that we may deem necessary to facilitate trade between the two countries. We are both colonies of England; we speak the same language; we must, in the nature of things, be neighbors, alongside of each other; and now that all your differences with the old mother have been completely adjusted, I think it is well for us as merchants to see what can be done to add to the facilities between Canada and the United States. (Applause). In coming here it is our duty as Canadians, to tell you our position, to tell you the advantages that we possess in Canada in this matter of transportation, which, as my friend from Cincinnati, (Mr. TAYLOR), says, although not the chief end of man, is still very important.

The statements that have been made in regard to interior navigation, are of exceeding interest to you. The Welland canal opens from fourteen to twenty days earlier than a canal constructed upon the American side would do, and therefore, if the Niagara ship canal were constructed, the Welland canal would be altogether the most favorably situated. I alluded the other day to a proposed canal to connect the St. Lawrence with the Hudson and Lake Champlain. That canal, as you are aware, is not yet built, and, as has been stated, there is no arrangement, under the Washington Treaty, by which the vessels of the United States can navigate our canals, except by permission of the Government of Canada. There is no arrangement by which, in the event of this canal being made from the St. Lawrence into Lake Champlain, its navigation could be availed of by you.

A good deal has been said in reference to this new reciprocity treaty. Now, as has been said by Mr. MCGIVERIN, we are not very solicitous for that treaty. Although we believe our interests would be greatly promoted by it, we do not wish it to be understood that the progress of Canada is dependent upon that measure. The question of transportation engaged the attention of the Canadian Government some seventeen years back, and they sent to the United States for one of your eminent engineers, Mr. JOHN B. JERVIS, of New York, who made a report in 1855, which is so interesting in its character that I wish to read a short extract from it.

[Mr. YOUNG read some passages from the report referred to, and also from a report of Mr. JOHN B. MILLS, an engineer employed in the construction of

the Canadian canals, to show that the importance of this northern route had not been overestimated.]

The fact is, that when I look back on my business experience on this continent, and at the vast increase that has been made in trade in the last thirty years, I am quite sure that in the next thirty years the increase will be still greater, and that all the routes, natural and artificial, all the railroads and all the canals that can be built, will be inadequate to meet the growing trade of that vast Western country. It is in this aspect that I think the merchants of Canada and the United States should represent this subject to their separate Governments. When we have done that we have done our duty; the responsibility then rests upon the respective Governments as to the action that shall be taken in the premises. I like the idea that has been suggested of sending a Committee to our separate Governments, to represent this subject to them; and although I cannot speak for the Canadian Government, but merely as a member of the Dominion Board of Trade, yet, knowing public opinion as I do in Canada, I know that there is no action that you can possibly take that will not be cheerfully met and agreed to by the people of Canada, and I should think also by the Government.

As regards the amendment proposed, Mr. President, if it was intended to defeat the party of reciprocity, I think no measure could be devised that would do it more effectually. It must not be forgotten that Canada is a colony of England. To permit the manufacturers of the United States to come into Canada under a lower rate of duty than is charged upon English manufactures, is, so long as we remain a colony, out of the question; and therefore I think the amendment should not be entertained. It has been suggested that a number of the coarser articles of manufacture, such as agricultural implements, and various other things which might be specified, could be advantageously admitted free of duty; but the idea of admitting manufactures free from the United States and not free from England, is a thing utterly and completely impossible under present circumstances.

The resolution which has been prepared, covers, as it seems to me, the whole ground, and if carried out and acted upon, would enable all the advantages which we possess in Canada to be used by you, and we could avail ourselves of similar advantages in your country. A very important fact was mentioned in the Committee, that the best route for a railway to the Pacific was through Wisconsin, Michigan and Minnesota, up to the west even of our country, on the Saskatchewan. If parties on our side could feel that they were just

as secure in passing over your roads, without being hindered in any way, or by any unnecessary charges for freight, and you could feel the same, coming through our country to New York, Boston or Portland, it would be a very great advantage indeed, and a kindly feeling would grow up between the two peoples, that, we think, living alongside of each other as we do, it is highly necessary should be encouraged in every possible way. But I wish the Board to understand, that while we are willing to do anything and everything that we can to assist you in bringing about so desirable a result, we are aware that we have no power over anything that you may do in the matter.

Mr. CANDLER, of Boston : *Mr. President* :—I hope that the resolution as originally reported by the Committee will be passed. I, for one, am decidedly opposed to the amendment offered by the gentleman from New Haven, (Mr. SARGENT), because it covers too much ground. It is too broad. Notwithstanding some of us may have our own peculiar notions in regard to free trade, we prefer that each feature of free trade should be met and fairly discussed, that we may understand exactly how far we are to go on the way. I think that the resolution, as the Committee reported it, is of great consequence, not only because it refers to cheap transportation, but because it encourages the finishing of the Welland canal and gives to American vessels the right to navigate the waters of the canal. While we ask the finishing of the canal, and would suggest that that should be one of the conditions, we also ask that our vessels may have the privilege of passing through that canal. Now, if it is admitted by gentlemen that that canal is to be built, as I have heard it admitted on this floor to-day, and as is apparent from all the testimony on that question, why not accept the fact? This canal is to be finished, and, as that is to be the inevitable result, it seems to me that this Board does well when it suggests to any Commission appointed by the United States that it should insist that we be allowed the privilege of using it.

Mr. President, the gentleman from New Haven (Mr. SARGENT), suggested that he would say something in behalf of the manufacturers of New England, thinking, perhaps, that we on this side of the hall, for once, were not so vigilant as we should be in regard to the interests of our manufacturers there. We are very glad to indorse the position which he has taken, that it is necessary for the success of the manufacturing interests of New England that the prime necessities of life should be had at the cheapest rates. But, sir, it is not only a question for the manufacturers of New England, it is a

question of the broadest humanity. I say that the nation is bound to so legislate that the prime necessities, the means for shelter, the means to protect the poor from the cold blasts of a New England winter, and the supply of food, shall be brought down to the cheapest rates. If we are to tax anything let us tax results; but, sir, a growing country like this should first consult the wants of people who begin with nothing, and build themselves up. It is easy enough for a man with capital, and, in fact, in America, we have found it pretty easy for a man who begins poor, to succeed; but, sir, although it may be easy enough for the capitalist and the man with small means to succeed, we must watch the man who begins with nothing, and build him up; and that we can do by furnishing the means to sustain life at the cheapest rate.

Mr. President, New England has a deep interest in this question of cheap transportation and the furnishing of the prime necessities of life at the lowest rates. We are deprived, on account of our position, from immediate contact with the grain growing countries of the West. New York, Philadelphia, and the cities south of us, have no fear of their neighbors in the West; there is nothing but the cost of transportation to them; we are further to the East. They naturally look to the West and Northwest, not only for their supplies, but for their domestic trade. Now, I say that the internal commerce of the United States has arrived at its vast amount through the free interchange of commodities between the States, without any tax. Had there been a tax at each State line, or a high tariff, the internal commerce of the United States would never have reached one-tenth of what it is to-day. When we look to the east and northeast of us, we of New England see that there is a vast territory which legitimately belongs to us for the interchange of commerce. We are proud of the growth of New York and Philadelphia; we feel no jealousy because they are nearer to the sources of supply at the West than we are; but we say to them, "When we come forward and ask you to make more easy our communication with this vast territory north and east of us, meet the question fairly and give us reciprocity, so that we can exchange our commodities with the people there, and they may come to our cities and buy of us, as the people of the West come and buy of you."

You see this is a broad question. We are interested deeply in reciprocity, not only with a view to securing cheap transportation, which will develop the wealth of the West, but because it will give to us, by the interchange of commodities, a greater trade, and bring to us the people of New Brunswick, Nova Scotia and eastern Canada,

to buy our merchandise. There was no man in Massachusetts who comprehended this question better than our honored and loved JOHN A. ANDREW. In 1866, he advocated the construction of the European and North American railway, as a commencement; and, sir, were we blessed with his presence in Massachusetts to-day, we should find him a firm, judicious advocate for reciprocity.

I hope this resolution will pass as it is. It is very suggestive. It seems to me that it contains a great deal, and has other bearings than its commercial one. I am not inclined to speak of annexation, if it is not agreeable to the gentlemen from Canada, or if it is not desired by a majority of the people in Canada. I shall never advocate annexation except it be for the interest of both parties, and I know that some on that side of the line believe it would not be for the interest of Canada. They will pardon us in the United States if we have rather a different opinion as to the distant future. We believe that the day is coming when the people of Canada and the people of the United States will annex themselves to each other, not because the people of Canada want personal protection, not because it is for their interest to have a strong arm surrounding them, but because it will be for their interest to become part of the United States; and by passing such a resolution as this we strengthen the bond which will eventually bring us together. It is more, therefore, to me than simply commercial. It will bring about in the end, through a common bond of interest, annexation, peacefully and satisfactorily to all on this continent. I speak of that as a theory; I know there is a different theory about it, but that with me, as I advocate this resolution, is one of the anticipations of the future. I certainly hope that we shall not postpone this question for future consideration under any circumstances, but that we shall pass it as it is, and then that the members of this Board, when they go to their homes, will speak on the subject, will give to their members of Congress the light which they have been able to obtain from the discussion here, from the gentlemen who come from Canada and from other gentlemen, and endeavor to have the Commission appointed and this measure carried forward as it should be. This National Board of Trade can be a great power. I believe it is to-day, when any of these questions are brought up. What we say is not to be used by the politicians on the one side or the other; they can quote our speeches on either side; but most of the gentlemen here have an intimate acquaintance with members of Congress from their own State; there is probably no delegate in this Board who has not an intimate personal acquaintance with some member of Congress.

Let us, then pass upon this question one way or the other, and if we regard it as one proper to go to a Commission, let us use all the influence we can with our members of Congress to have it properly considered by competent men. I hope we shall be able, by a majority, to pass the resolution now, and when we go home, be able to use the influence to which I have referred.

Mr. SARGENT, of New Haven: In the amendment which I offered, as originally written, I had the words, "*based as nearly as possible* upon absolute free trade." In order to be a little more radical, in accordance with my own convictions, I erased the words, "as nearly as possible." I now desire to restore those words. Several gentlemen have asked me to withdraw the amendment, but I must decline to do it. New England, and particularly, perhaps, Connecticut, has for a long time borne the odium of favoring a high tariff; our friends at the far West and South have pointed at New England as living upon their labors, and as forcing them to buy the goods of our manufacture. Now, I desire to put the State of Connecticut, at least, on the record as representing the tendency to free trade; and if the gentlemen of the agricultural States of the West and the cotton States of the South choose here to take that odium from the shoulders of New England, I shall be very happy to have them do it.

Mr. THOMPSON, of Baltimore: *Mr. President*,—As one of the parties who asked the gentleman from New Haven to withdraw his amendment, I would like to state my reasons, very briefly. I shall be put, probably, in an inconsistent position, unless I explain to my friend from Philadelphia (Mr. WETHERILL) particularly, why it is I vote down a resolution looking towards free trade. I am going to accept that responsibility, sir. If it was not free trade with so near a customer, our friend from New England might possibly not be so much in favor of it. I do not want to embarrass this question. I think the Committee has clearly explained the position which it is proper for this Board to take on the subject. I think we can leave the matter in the hands of the Commission which we call upon the Government to appoint. There are various interests which have not come before this Board that will have to be looked at by this Commission, and I therefore shall vote against the amendment, and accept the responsibility of voting against free trade in this instance.

Mr. HAWLEY, of Detroit: *Mr. President*,—I am very happy to notice from all that has been thus far said on this important

subject, that we may unite in the adoption of the resolutions as they have come from the Committee.

I perfectly agree with gentlemen who have said that we cannot act favorably upon the amendment proposed by the gentleman from New Haven, (Mr. SARGENT). It goes too far. The gentlemen present from the Dominion of Canada have intimated that it could not meet with favor there. They say that their people and Government are not prepared for a Zollverein, — nor yet for a sweeping treaty that would include every description of manufactured goods; but that a treaty that would provide for an exchange of raw products with some of the coarser manufactures, and that would secure the enlargement and free navigation of their canals, would, as they believe, prove acceptable to the people and Government of the Dominion.

It is equally manifest that the circumstances in which we are now placed preclude the Government of the United States from going farther.

There are some of the finer branches of manufactures carried on in Great Britain with which we are not now prepared to compete, and upon which, when introduced into this country, we must continue to levy their *pro rata* share of customs duties. Had we an unlimited treaty with our neighbors of the Dominion, it is to be presumed that these manufactures would be in part transferred to Canada, and thus a door be opened that would practically render our Government powerless to control the tariff in accordance with the needs of the federal treasury.

I would say for the benefit of gentlemen who have so eloquently spoken in the interest of free lumber, that as lumber was one of the items in the schedule of the first reciprocity treaty, it will doubtless find a place in any new treaty that may be negotiated; and not only lumber, but saw-logs, which bear an export duty of twenty per cent., thus enabling a large class of American mills, whose owners do not own pine lands, to obtain their raw material from Canada on equal terms with mill owners in the Dominion similarly situated.

I was delighted to hear Mr. McCREA, of Chicago, in concert with Mr. McClAVE, of Newark, submit such effective and convincing pleas in behalf of free lumber. To my own mind, every consideration of political economy and public weal demands that lumber be admitted free of duty, and had not the Committee been of the opinion that their report in behalf of a new reciprocity treaty fairly covered this ground, I am confident that they would have reported favorably upon the resolutions referred to them from the Newark Board of Trade, asking Congress to remove the obnoxious duty.

There are many considerations which enter into a question of this magnitude, to which I cannot now refer. I may, however, allude briefly to one or two which have not yet been touched upon.

We all know that the dividing line between the United States and Canada is one of several thousand miles in extent, and that smugglers avail themselves of the opportunities presented by this extended line to pursue their unlawful and nefarious traffic. Now I submit that much can be done to harmonize certain excise and tariff duties, so as to remove temptation from those who thus violate the revenue laws of both countries, and thus we may afford a practical example that prevention is better than cure. Suppose, for example, that our Government levies a duty on brandy of three dollars a gallon, while Canada only levies two dollars on the same article.

Without discussing here which is the more rational duty, or whether one dollar would be better than either, we insist that some friendly understanding should be arrived at by which an approximation of duties should be levied on all articles easily smuggled from one side to the other.

I entirely agree with the gentleman from Boston, (Mr. CANDLER), as to the influence that a free commercial intercourse with our neighbors would have in developing fraternal good will and an oneness of interest. And if, in the distant future, the two countries should, "like kindred drops of water, mingle into one," the transition would be so easy and natural that all would accept it as a common good.

Mr. President, let us look for one moment at the question of the enlargement and navigation of the Canadian canals. I would have been willing to have modified this part of the resolution, and yet I am well pleased that it is manifestly the sense of this body that it should retain the place assigned it by the Committee. The West, through its Boards of Trade and otherwise, has repeatedly urged upon the General Government the construction of a Niagara ship canal, and the considerations which impelled them thus to importune Government, now lead them to desire a treaty with Great Britain that shall result in the enlargement and free navigation of the canals of Canada. In this connection, it may be well to call attention to the fact, that the Welland canal opens on an average at least two weeks earlier in the spring than the harbor of Buffalo or than a new Niagara ship canal could be expected to open.

But apart from the advantages suggested by this part of the proposed treaty, I firmly believe that it would be beneficial in its bearing on agriculture, trade and manufactures. Why should we not send to our northern neighbors our corn, beef and pork, and receive in return

their peas, barley and lumber? Do the owners of pine lands object? They certainly ought not to do so, for I am credibly informed that the lumber industry prospered during the late reciprocity treaty; and while it may have enjoyed a still larger measure of prosperity since the expiration of the treaty, I submit that they have no reason to fear any material diminution of their profits in the event of the admission of free lumber again by reason of a new treaty or otherwise.

While it is admitted that agriculture needs free Canadian lumber, it is sometimes thought that the admission of the Canadian grain operates disadvantageously to our farmers. I submit that this is a fallacy, for the reason that both Canada and the United States export a large surplus of agricultural products to a common European market; and that the price there obtained creates a common standard by which home values are mainly determined in both Canada and the United States. Hence it is that they occupy common ground and have nothing to gain or lose by any exchange that may take place. In illustration of this I venture to say that the article of barley did not, on the whole, rule lower in the United States during the ten years of the reciprocity treaty than it did during the preceding ten years, or than it has during the eight years that have elapsed since the abrogation of the treaty. Certainly, if you take into view the difference in our money, this will be found to be true. While then no benefit accrues to the farmers from discriminating against the admission of Canadian grain, I desire to say that one large interest in the United States — the brewing interest — has petitioned Congress for the free admission of Canadian barley; and for the reasons given, the Hon. DAVID A. WELLS, Ex-Commissioner of Internal Revenue, endorsed the petition. The brewers say that they need the quality of barley grown in Canada, and that if permitted to obtain it free of duty, the consequent increase of the manufacture would, in the dollar a barrel excise-tax that they pay, more than compensate for the duty now derived from Canadian barley. When it is mentioned that this industry pays ten millions of dollars annually into the treasury of the United States, and that the wine industry, having no greater claims upon the public favor, pays nothing; the injustice which imposes a double tax upon the brewing business, first on its raw material and then on its finished product, must be manifest to all.

Some articles, like coal, which was one of the articles embraced in the old treaty, were both exported and imported by the respective countries. New England imported, greatly to her own advantage, the coal of Nova Scotia, while Canada West imported freely the coal of Pennsylvania and Ohio. In this way domestic comfort, manufactures and navigation were promoted and much good accomplished.

I know of no interest that would suffer by reciprocal trade with Canada within the proposed limits; and as the proposed measure has secured the favor of gentlemen of all shades of political opinion and tariff proclivities, we have a right to hope that it will secure unanimity in the vote that we are about to take, and that it will commend itself to the early and favorable consideration of the executive and legislative departments of the Government.

Mr. OPDYKE, of New York: I shall detain the Board but a very few moments with what I have to say on the subject now under consideration, for in the general purpose and spirit of the report I entirely concur. I am in favor of making our intercourse with other nations as free as is possible under the circumstances, in the hope that we shall ultimately arrive at absolute free trade.

The first criticism to which I think this report is subject, is this: while it is the policy of our Government to raise its revenue from duties on imports, it is perhaps a little inconsistent with that theory of raising revenue to depart from the principle in our intercourse with one neighbor, and not with others. I am willing, however, to make that exception; I am willing to make an exception of every nation that will meet us on the common ground of free trade, in the hope that we shall ultimately arrive at a system of free trade and direct taxation. That I believe to be the wisest and best policy for our Government; therefore, I am willing to meet a neighbor with a proposition that looks to that end, and I am desirous that we should have trade on the principle of entire reciprocity with our neighbors of Canada or any other country.

But, sir, in reading the resolution, I find one feature in it to which I most emphatically dissent. I will read the whole resolution:

"Resolved, That the Executive Council be instructed to memorialize Congress to make an appropriation for the appointment of a Commission, to act in conjunction with the State Department in negotiating a treaty with Great Britain for reciprocal trade with the Dominion of Canada, on a broad, comprehensive and liberal basis, which shall also include the enlargement of the Canadian canals by the Government of Canada, and the right of American vessels to navigate the said canals under the same conditions as are imposed upon Canadian vessels."

Now, we had up yesterday a kindred subject for discussion, which was a proposition to ask the aid of the Federal Government in the enlargement of the Erie canal. After a full debate, the Board, with a great deal of unanimity, voted to lay it upon the table,—gave it the go-by. Now, sir, you will notice in this resolution as presented, that one of the conditions is that in negotiating this treaty, it shall be incumbent upon our Government to insist upon the enlargement of

Canadian canals. Let us look at that one moment. This Board refused to ask this Government to aid in facilitating our own means of transportation; but this same Board proposes to ask our Government to insist, in treating with another power, that they shall enlarge their means of transportation. In other words, this Board now proposes, after having ignored a proposition to increase our own means of internal communication, to make it a condition precedent to entering into a treaty with our neighbors, that they shall do this very thing and thus divert the inland commerce of our own country through the territory of another,—from our own seaports to the seaports belonging to a neighbor. I do not think that this Board can ever go before Congress with a memorial like that. Under the Constitution of our country, it is made the duty of the Federal Government to hold supervision over and protect the interests of commerce, domestic as well as foreign. I repeat, how would it look for the National Board of Trade to send a memorial to our Government, insisting that they shall make a treaty, one provision of which will divert the commerce of the West from our own seaports? We, of New York, have done a great deal to facilitate and increase our trade with the West; I have no doubt, we of New York are prepared to do whatever may be necessary in the future. We have never asked any aid from the Government; but we do ask that the National Board of Trade shall not memorialize our Government to make a treaty contrary to the interests of its own people.

I move to strike out that clause from the resolution. I think it is unbecoming this Board to recommend action on the part of our Government that would be detrimental to the commerce of our own country, or to any portion of it. I have no doubt, if that treaty should be extended, as herein proposed, and the Welland canal and the other canals of Canada enlarged, that there is enterprise, capital, public spirit, and an enlightened sense of self-interest sufficient in this city and this State to take means to counteract it; but while we refuse to ask our Government to do anything for our own commerce, why insist on putting in a provision that shall aid the commerce of a neighbor? It strikes me that it is not wise, not judicious, not proper for this Board to pass a resolution calling upon the Government of Canada to enlarge their canals. If it is for their interest to do it, they will do it; but do not let us ask our Government to adopt a policy absolutely contrary to the interests of our own country. Our neighbors, I have no doubt, have self-interest enough and sound judgment enough to do this, without our stultifying ourselves by insisting that it shall be done.

The PRESIDENT : As the question now stands, that motion is substantially covered by the motion of the gentleman from New Haven, (Mr. SARGENT), which is to strike out the words objected to by the gentleman from New York, (Mr. OPDYKE), and insert those which he, (Mr. SARGENT), read.

Mr. STRANAHAN, of New York : I simply wish to ask a question of my colleague. He has got somewhat in a fog. He sees an inconsistency in our asking, substantially, that the State of New York shall enlarge the Erie canal, and that the Canadian Government shall enlarge its canal. I do not see any inconsistency there, and I ask him to explain.

Mr. OPDYKE, of New York : I will very cheerfully explain. The proposition voted down by this Board yesterday was to ask the General Government to enlarge the Erie canal. Now, it is insisted that this Board should ask the General Government to call upon the Canadian Government to enlarge its canals. The inconsistency lies here ; while we refuse to ask our own Government to aid commerce, we insist that it shall aid the commerce of our neighbor.

Mr. ROPES, of Boston : I do not, myself, see any great necessity for that clause ; but as the Welland canal is to be enlarged, and other canals are to be constructed, it seems very desirable that in any treaty of reciprocity which may be made, this country should have the privilege of enjoying the benefit of those canals upon the same terms as the people of Canada ; and that, I take it, is the main point aimed at in the resolution. All that relates to transportation has already been referred to and discussed so fully by my colleague, (Mr. Candler), in whose views I entirely concur, that I have nothing to say on that point. But as regards the amendment offered by the gentleman from New Haven, (Mr. SARGENT), while I entirely agree with his views, and sympathize most heartily in the remarks that he has made, I desire very much that he should withdraw his amendment, and for this reason : In the first place, there are some things in that amendment which would be objected to by many members on this floor. I believe that it is our object, in coming to this place, to discuss matters connected with trade and commerce ; and, by a comparison of our respective views and interests, arrive at what we think, on the whole, will be most for the advantage of the entire country. It is one thing to pursue an ideal object, and quite another thing to aim at the best object attainable. It seems to me it would be idle for us to ask Congress to negotiate a treaty of reciprocity

with Canada on the basis of absolute free trade between Canada and ourselves. I should be delighted to have such a treaty.

Mr. SARGENT, of New Haven: Will the gentleman allow me to correct him? The amendment, as it now stands, is "on the basis, as nearly as possible, of absolute free trade."

Mr. ROPES, of Boston: I admit that. I will go on and explain why I object even to that language. In the first place, I should, myself, desire absolute free trade with Canada. We had it, as nearly as possible, under the reciprocity treaty, and it worked very well for both sides, as the remarks of my friend from Detroit, (Mr. HAWLEY), have shown. But we are now in totally different circumstances, and I apprehend it would be a work of many months for an intelligent Commission to determine upon the precise provisions to be desired in a reciprocity treaty between us and Canada. There are many interests which have been developed since the expiration of the former treaty; others have been overthrown. The whole relative position of the two countries is changed. We are not hastily to declare free trade again, even if we had it ten or twelve years ago, without stopping to consider what we are going to overthrow, and what we desire should be re-established. It is to be done with great deliberation. I do not think it is wise to ask Congress to form a treaty on the basis of free trade, even with the qualification, "as nearly as possible." I think it is going a little beyond our province. We know that China and Japan are now so close to us that we may yet appoint a Commission to negotiate a treaty of reciprocity with the Emperor and the Tycoon or Mikado. But, as my friend very justly remarked, as the former treaty was very nearly free trade, it is probable the new treaty would be as near free trade as possible; but I do not want to put in the words, because they would be objected to by many on this floor, who would go for the resolution as reported by the Committee, and it would be very strongly objected to by many members of Congress, and probably defeat the proposition. I want to introduce the thing in as simple and unobjectionable a form as possible, and then let us give the members of Congress all the information in our power, and leave it to them to go as near free trade as they are willing and able to go.

I, for one, see no antagonism between free trade and protection. I listened with great interest to the able speech of the gentleman from New Jersey, (Mr. MCCLAVE), in which he showed conclusively the danger to which we were exposed by the entire exhaustion of our lumber, and I thought to myself, "what would our protectionist friends

say if, having compelled us to use up all the forests on this part of the continent, and thus left us at the mercy of a foreign power, that power should refuse to sell us any lumber, or compel us to pay famine prices and ruin ourselves, as a consequence of the undue protection extended to our forests?" Why, sir, their very souls would be horrified at the thought, and each individual hair would stand on end at such a result.

I would leave the laborer of New England to get the cheapest wheat possible from Canada; and it would not lower the price of the wheat of the West the smallest fraction, for it would allow western wheat to go to the most available points. I would give the laborer of New England the cheapest lumber, by allowing it to be brought in from Canada free of duty. I would protect American labor by requesting Congress to put down the duties on the necessities of life, and then the manufacturers would at once put down the prices of their manufactured goods.

But I simply wish, at present, to say that I hope our friend from New Haven, (Mr. SARGENT), will not ask us to adopt the amendment which he has proposed.

Mr. FAIRBANK, of Chicago: Our friends of New York seem to be exceedingly sensitive upon this subject of canals, and I may say that it is a question upon which we, of the West, are quite as sensitive as they are. The gentleman, (Mr. OPDYKE), says there is a seeming inconsistency in this Board refusing to ask our General Government to aid in the construction and enlargement of the Erie canal, and then turning round and asking the Canadian Government to enlarge its canals. We do not ask the General Government of Great Britain, of which Canada is a colony, to enlarge the Canadian canals, but we ask the Dominion of Canada to do it; and by refusing to ask our General Government to enlarge the Erie canal, we ask the Government of the State of New York to enlarge her own canals, which she is abundantly able to do. The gentleman, (Mr. OPDYKE), says he has no doubt that there is ability, enterprise and energy enough in the State of New York to enlarge the Erie canal, when such enlargement is required. Why does she not do it? Why has she stood for the last fifteen years really blocking the trade of the Western States, and refusing to enlarge her canals, while she has in her treasury all the money which the canals have earned, or would have had it, if it had not been squandered upon lateral canals, and works of no consequence to the western trade? These are facts, and all the theories of the gentleman cannot overthrow them. The Erie canal to-day, notwithstanding all the public opinion that has

been brought to bear upon the people of New York, during the last ten or fifteen years, in favor of enlargement, is so contracted that a few hundred thousand bushels extra at Buffalo, will advance canal freights three cents a bushel. Is that meeting the demands of western trade and commerce? Is the State of New York recognizing, in that way, the demands of the great West?

It is unnecessary to debate the question. The very fact that you see what the capacity of the Erie canal is, — that great stumbling-block in the way of western trade to-day, — should make every one of you vote for the simple proposition now before you, that the Canadians be asked to enlarge their canals, and give us an outlet which the State of New York refuses to give us.

I want to allude to one other point in the resolution, as there has been a good deal of debate about free trade in relation to the details of a reciprocity treaty, which may have confused the minds of some gentlemen; I desire to get them back to the simple question which is presented by our resolution: that we shall ask the State Department to negotiate a reciprocity treaty with the Dominion of Canada; a treaty from which we shall gain just as much advantage as the other party. We do not say any thing about the details of the treaty; we leave these to the wisdom of the Commission which the Government shall appoint. It is considered by many that the former reciprocity treaty was not in fact a reciprocal treaty, — that the advantage was with Canada. Grant that it was so, we have got the benefit of so much experience. Our Commission can go back to that treaty and see where the advantage was with Canada, and it can now frame simply what we ask, a reciprocal treaty. That is all we ask. It is a simple proposition. No man can object to it. It is broad enough; it is national enough. And then we ask, in addition to that, the enlargement and free navigation of the Canadian canals. If New York desires to retain the commerce of the West, let her enlarge her own canals; let her not ask the General Government to do it. When the State is abundantly able, and when she has earned money enough by her canals to do it, if the money had been properly applied, she comes and asks the General Government to aid in the enlargement of those canals, and allow the State of New York to keep control of them.

Mr. HAZARD, of Buffalo: The State never has asked any such thing as that.

Mr. FAIRBANK, of Chicago: The State never has, but your resolutions offered here yesterday did.

Mr. HAZARD, of Buffalo: That is a different thing. Why do you want to refer to that?

Mr. FAIRBANK, of Chicago : I know that that gentleman represented the wish and feeling of the people of the State and the people interested in the canal. They want the General Government to enlarge the canal, and leave it in their control, to use the income of that canal in any way they see fit; and judging from the way the income has been used in the past, I think this Board acted wisely in declining to indorse that proposition yesterday.

I trust that this resolution, as reported by the Committee, will pass. It is simple in its requests, and I am confident the gentlemen of the Board will adopt it.

Mr. DORR, of Buffalo : That part of this resolution which refers to the enlargement of the Welland canal, has had but little place in this debate, if I am correctly informed. As I understand it, this twenty-eight miles of canal, which starts from Lake Ontario, is owned by the Canadian Government, and it has decided to enlarge it by making the locks two hundred and fifty feet long, forty-five feet wide, and with twelve feet of water. The surveys have been made, and I suppose at the close of navigation the work will be commenced. It is entirely superfluous, therefore, to take the time of this Board in discussing the question whether the American Government shall be asked to request the Provincial Government of Canada to enlarge the Welland canal.

Mr. FAIRBANK, of Chicago : If the gentleman will allow me, as I was a member of the Committee, I can explain. As the gentleman states, the Welland canal is to be enlarged, but that canal runs through the Dominion of Canada, and American vessels have no right to navigate it. The canals down the river we have the right to navigate by the Washington Treaty, but those canals are not to be enlarged. Now, we couple the two things together, and ask for the enlargement of the Canadian canals, and the right to navigate them; that is, the right to navigate the Welland canal, which is being enlarged, and the enlargement of the river canals, which we have a right to navigate. The two things must go together.

Mr. DORR, of Buffalo : That part in relation to the navigation of the Welland canal is superfluous. The self-interest of the Canadians will prompt them to ask us to use the Welland canal. What constitutes the navigation of the Welland canal to-day? Seven-eighths of the vessels which pass through the Welland canal are, and have been for many years, American vessels. They would not be very apt to shut them out. That is the last thing I fear.

Mr. FAIRBANK, of Chicago : We pay them more dollars than they ask from their own vessels.

Mr. DORR, of Buffalo : Very well. The Canadian tonnage goes through the canal free ; there is a small duty paid by American vessels ; but self-interest would give us a free way. The lower canals do not need to be enlarged. They are large enough now for good-sized vessels to pass through.

Mr. BRANCH, of Richmond : I do not rise to make a speech, because there is not time. The subject has been elaborately discussed in detail, and also many collateral matters that have nothing to do with the subject. I call the previous question.

The previous question was ordered, and the resolution reported by the Committee was agreed to.

Mr. MCGIVERIN, of Hamilton : As the Canadian delegates are compelled to leave in an hour or two, I desire to take this opportunity, if I may be permitted, to thank this Board, through you, Mr. President, for the courtesy extended to us, and to thank you also for the nearly unanimous vote by which the resolution which has been under discussion was passed. I believe it will be a subject of congratulation, not only to the people of the United States, but also to the people of the Dominion of Canada, that a measure which must have a beneficial effect upon the trade of this continent has been so cordially indorsed by this body. I wish also that you would communicate to this Board, sir, an invitation from the Dominion Board of Trade to meet with them at Ottawa, and I think if you visit us you will be satisfied that there is among us the same kindly feeling and the same desire to continue, perpetuate, and extend our commercial relations with this country, which have been so signally manifested by you in reference to your relations with us.

Thanking you cordially, on behalf of my co-delegates, for the kind manner in which we have been received on this occasion, I take my leave. (Applause.)

Mr. MCCLAVE, of Newark : I move that subject No. V., relating to the duty on Canadian lumber, etc., be continued on the official programme for the consideration of the Board at its next annual meeting.

Mr. THOMPSON, of Baltimore : I second it. I intended to make the motion myself, out of courtesy to the constituent body proposing it, as it was by my motion that the subject was referred to the Committee.

The motion was agreed to.

The Board then took up the consideration of the articles on the programme in relation to the shipping interest, as follows : —

XIV.—AMERICAN SHIPPING INTERESTS.

(By the Philadelphia Board of Trade.)

Resolved, That a just regard for the increase of American shipping employed in foreign commerce, should cause Congress to encourage American ship-builders and ship-owners, by the allowance of bounties for building, and subsidies for running their ships.

XV.—AMERICAN SHIPPING INTERESTS.

(By the Boston Board of Trade.)

Resolved, That the National Board of Trade regards as a step in the right direction the measure enacted by Congress at its last session, abating the duty upon certain articles of foreign growth or production entering into the construction of ships built in the United States to be engaged in foreign trade, and it would express the hope that Congress will further exempt from duty all other articles necessary for the construction of vessels of every class, so that the American ship-builder, in the cost of his materials, may be placed as nearly as possible upon the same footing as his competitors in other countries.

Resolved, That the Board would renew its recommendation to Congress, that all articles of foreign product needed for subsistence and general use on board vessels engaged in the foreign trade, be allowed to be withdrawn, without payment of duty, from bonded warehouses.

Resolved, That justice to the ship-owning interest and the best welfare of the national commerce, alike demand that the right be conceded by law to American citizens to purchase tonnage, wherever built or owned, and to place it under the protection of their own flag.

XVI.—SHIP-BUILDING IN THE MISSISSIPPI VALLEY.

(By the New Orleans Chamber of Commerce.)

The encouragement of ship-building in the Mississippi valley, by remitting the duties on imported materials entering into the construction of vessels, by admitting, free of duty, to American registry, vessels or parts of vessels constructed of iron, in foreign countries, and

brought to the United States, and by giving material aid for the construction of iron vessels, to be located on the Mississippi river or its tributaries; or the promotion of the object stated in any other manner.

Mr. WETHERILL, of Philadelphia: I think, sir, that I speak the mind of this Board when I say that no more important subject than that presented in these propositions could possibly come before us; and in discussing it, I desire to do so upon its merits, ignoring, as far as possible, all outside issues, looking only to one object,—the national benefit and the public good. I am fully aware, sir, of the fact that outside and collateral issues may readily be brought to a subject like this, but I hope in this debate that we shall consider the question, not as to the extent or prosperity of our commerce,—that we all admit is going on as prosperously as we could wish,—but what measures can be adopted to secure the carrying of that commerce by American instead of British vessels. The point before us should be this, as I understand it, and this only: How can we, by a wise and prudent resolution, so effect our purpose that the larger proportion of this large amount of commerce shall be carried, not on board British vessels, but on board American vessels? I do not stand here as the advocate of subsidies,—I want that understood. I am satisfied from the complexion of this Board, and from the feelings of the people outside this Board, that subsidies, if possible, should be avoided; that, upon general principles, we should stand on our own feet and endeavor to support ourselves without either State or national help. Now, sir, with that in view, and that only, I press this resolution on subsidies, as presented by the Philadelphia Board of Trade, simply that it may stand side by side with the requests from other bodies that we shall have the privilege of going to the Clyde to buy vessels free of duty.

I do not disguise my object in thus stating it. I desire to argue this question simply for our own good and for our own benefit. I am satisfied with the truth of this statement, as made by Mr. Commissioner WELLS:

“A careful study of the financial systems of the various commercial nations of Europe has led the Commissioner unhesitatingly to the conclusion, that whatever may be the state of European public opinion in respect to free trade, and whatever may be the claims preferred for it, on the broad grounds of liberality and humanitarianism, the fiscal legislation of Great Britain, France, Germany, Belgium, Holland, Austria, and Russia, is now, and always has been, passed solely and exclusively with reference to one object, namely, the promotion of supposed national

self-interest, and has never had the slightest regard to the interest of any other nation, or to any arguments other than those based upon specific national wants and specific national experiences."

I think that this should be the sentiment of every member of this Board. Free trade should be ignored, for free trade stands to-day against the interests of American shipping,—the matter which is now before us.

To proceed at once to the subject-matter: How can we advance this great interest? I think it proper to state, that as England to-day is supreme upon the sea, as England has shown by her power and her strength that she can control the commerce of the world, the method that England has taken to make herself supreme, and her experience in this matter, must be of value to us. And, sir, when I look over the history of English commerce, and when I examine carefully the experience which the English nation has had, I am satisfied that we should be extremely careful to protect and guard our own interests. It is well known that for two hundred years, up to 1848, the English Government protected English shipping by laws as stringent and as rigorous as human pen could write. I think that by referring for a moment to that matter, I can convince the members of this Board in regard to the truth of the statement which I make. The policy was British, and in the interest of Great Britain only, and its most important features were as follows:—

"1st. Certain enumerated articles, embracing the most bulky articles of commerce, to be imported into the United Kingdom in British ships only.

"2nd. Merchandise, the products of Asia, Africa, and America, to be imported into the United Kingdom in British ships only.

"3rd. No merchandise to be exported from one British colony to another colony, or from one of the colonies to England, except in British ships.

"4th. The coastwise trade confined to British ships, and all trades between different parts of her vast dominions declared to be included in the coastwise trade.

"5th. No merchandise to be imported into any British possession in any foreign ship, except in the ships of the country of which such merchandise was the growth, production, or manufacture, three-fourths of the crew to be citizens of the country where such foreign ships belonged.

"6th. No vessel to wear the British flag, or to be entitled to the privileges of British registry, except ships built within the British dominions, owned entirely by British subjects, and of which the officers and three-fourths of the crew were British subjects."

Those were the laws of the land for two hundred years, and in working order up to 1848. But when the British Government became satisfied that the chief material for building ships was with us, and that by the change from wood to iron and from wind to steam, they could eventually place themselves in a position which would almost defy the world, then they let those old navigation laws go.

When they had used them to the full extent, and when they saw that by their cheap labor and cheap coal and iron, they could produce ships which could not be beat in price by any other country, then they saw that these obnoxious laws would probably be in their way ; then they made themselves very liberal upon this point ; then they were satisfied to say, inasmuch as they had the game in their own hands — “Oh, yes, we will abolish those laws ! Come now and compete with us !”

Another point, sir, which the English Government has taken very good care to secure for the men connected with the shipping interest, their own merchants, and which we have seemed to ignore, is this : Not satisfied with the fact, that they could produce ships as cheaply as any other country, they were determined that ships should be sailed by them, also, as cheaply as by any other country ; and, therefore, sir, they have adopted a system of subsidies, and I suppose that to-day, the subsidies paid by the British Government cannot be less than between four and five millions of dollars annually. It is clear that the British Government has been enabled to make itself supreme upon the ocean, by the wise policy which I have indicated, laying the foundation of the system, and sustaining it by another policy, which is different from that which we have seen fit to adopt, that is, a policy of subsidies.

I need not allude, sir, to the difference in the rate of interest, which is also against us and in favor of them, capital here commanding between seven and eight per cent. per annum, while there it commands only between three and four per cent. per annum. The difference in favor of the English ship owner and the English merchant engaged in shipping, as against ourselves, is too apparent ; and therefore I pass that matter with the simple statement.

There is another thing in regard to our internal taxation which weighs very heavily against us, and which should be avoided. I have a statement prepared for the Secretary of the Treasury, in regard to the estimated amount of taxation on a line of American steamers, which is as follows :

State, county and city taxes at New York on vessels, wharves, machine-shops, offices and floating capital, estimated at \$3,000,000, 2½ per cent.	\$75,000
Advantage gained by British vessels on imported goods free of duty, estimated.....	25,000
(This amount embraces only the drawback in England on sugar, coffee, tea, spirits, wines and tobacco.)	
United States tax on gross receipts from passengers, 2½ per cent., (estimated on a fair amount of business).....	37,500
United States tax five per cent. on profits of company, supposing net dividend of 12 per cent. on a capital of \$3,000,000.....	18,000
Total.....	<u>\$155,500</u>

The amount of taxation on an English line of steamers is as follows :

Income tax of stockholders, $1\frac{1}{2}$ per cent. on dividend of 12 per cent. on	
\$3,000,000.....	\$6,000
Tax on rental value of premises, estimated.....	4,000
Total.....	\$10,000

Now, if the American shipping interest has to bear the burden of such enormous taxation, should there not be relief granted, by either a direct or an indirect subsidy?

To refer to another matter; what has been done to relieve this important interest? I say, sir, virtually nothing. The Boston Board of Trade, in its resolutions, says, "that the National Board of Trade regards as a step in the right direction the measure enacted by Congress at its last session, abating the duty upon certain articles of foreign growth or production entering into the construction of ships built in the United States, to be engaged in foreign trade," etc. That was, in theory, the right direction; but it was, in practice, of no benefit whatever to the shipping interest. I state that upon the authority of two of the largest ship-builders in this country. They say that this drawback is so surrounded by checks, by safe-guards, by inconveniences, by almost impossibilities in the management of the business, that it is of comparatively little value to them. Our ship-owners do not, of course, and cannot import every article they use, of the great variety of articles embraced in this section, which I will read.

[The allotted ten minutes having expired, leave was granted the gentleman to continue his remarks.]

This Board secured the passage of this section, which I read from the act as passed last June.

"That from and after the passage of this act, all lumber, timber, hemp, manilla, and iron and steel rods, bars, spikes, nails and bolts, and copper and composition metal, which may be necessary for the construction and equipment of vessels built in the United States, for the purpose of being employed in the foreign trade, including the trade between the Atlantic and the Pacific ports of the United States, and finished after the passage of this act, may be imported in bond, under such regulations as the Secretary of the Treasury may prescribe."

That law was passed in accordance with the recommendation of this Board, and, in theory, it was a step in the right direction. But when you undertake to put it in practice, when you ask a ship-builder to import, upon his own account, "lumber, timber, hemp,

manilla, and iron and steel rods, bars, spikes, nails and bolts," you make him a merchant as well as a mechanic; you require him to engage in a business which he does not understand; and if he goes to an importer for his iron, or for any of his materials, how can the importer separate his importations of materials, which are used for the building of ships, from those used for other purposes? How can he divide and sub-divide his invoices at the custom house, and make oath that certain articles, which he has imported and sold, have been used in ship-building? I am an importer of iron, if you please, and a ship-builder from Boston comes to me and says, "I want to buy a thousand tons of hull-plates of you, to be used in building ships." How am I to know that that iron is used in his business? How can I know that he may not take those hull-plates and sell them for boiler plates or something else? I tell you, no man who is honest and correct, can carry on his business satisfactorily, when he knows he is to be bound simply by the statements of others. Although this may seem to a good many of the members of this Board as exaggerated, yet I state what I know, when I say that these checks and drawbacks and difficulties do amount to an impossibility, which renders this act virtually null and void.

Another point, — to come back to the original proposition, — whether it is better for us to go to the Clyde and buy ships free of duty, or to ask the Government to give us a bounty equivalent to that advantage. That is the point in question. Now, I say here, and I do not think the statement can be contradicted, that if I, being engaged in the shipping business, having no more rights than gentlemen in any other business, having no more claims, and no greater right to insist upon them, — if I go to the Clyde and there make a contract for a ship costing three hundred thousand dollars, when I ask the Government of the United States to admit that ship free, I ask the Government of the United States to give me a subsidy, if the duty be ten per cent., of thirty thousand dollars upon the cost of that ship. I do not think that can be contradicted. And if the Government does, in that indirect manner, give me, on my free ship built on the Clyde, thirty thousand dollars, why should not the Government give a like amount of thirty thousand dollars to the American mechanic, in the way of bounty, direct, and not indirect, when the gold of this country will be kept here, and not sent abroad to impoverish us? Let us in this matter understand fully what we are about. If these subsidies are indirect, they are not understood by the people, and if indirect subsidies should not be given, then I, in my place to-day, make no claim for direct subsidies. If the gentlemen from Boston

will say that they do not desire to go to the Clyde and buy iron ships, and by doing so save the duty on those ships, which would, in round numbers, amount to about ten per cent., if they do not desire to have that indirect subsidy, but will take their chance with other merchants in the land, I will withdraw the resolution presented by the Philadelphia Board of Trade.

As we have looked at the action of England, and as we have looked at Congressional action in this matter, pardon me for a moment while I look at the action of this Board in regard to American shipping.

In 1868, at Cincinnati, we passed this resolution,—“That this Board, representing all sections and all interests of the United States, recommends to Congress the enactment of such laws as will allow American citizens the right to purchase, build or equip, in any part of the world, any boats or vessels, propelled either by sails or by steam, that may be required for commercial purposes, and as will admit such boats or vessels to register or enrolment under the American flag, on payment of a *fixed duty on their cost*; and it further recommends a remission of duty on vessels built in the United States equal to the amount of duty paid upon all materials entering into their construction,”—thus placing the matter upon broad and proper ground. And why should not this Board be consistent in its action? Why should we, year after year, so change our views and action upon matters of this sort,—which are matters of principle, and therefore not to be changed,—as to appear inconsistent? I hope the Board will pardon me for reading an extract from a report presented at the Boston Convention in 1868, which was seconded by Mr. EDWARD ATKINSON, and advocated by him, I believe, on the floor. After discussing the question in an exhaustive way, and showing clearly the condition of American shipping, this forcible language was used, and I hope it will, as I read it, receive the attention of every delegate:

“The admission of foreign-built vessels to American registry, as proposed by a few persons, would be the last blow to prostrate American shipping interests still more, and indirectly, yet effectually, render our navy dependent in part on foreign mechanical industry and material. By such a transfer of industry to the workshops and ship-yards of Europe, as must necessarily result from the *purchase of foreign-built vessels*, the gold of our treasury must be transferred in payment for them to the same nation which so largely coöperated in the work of *destroying American shipping*; capital and labor hitherto employed here in construction of vessels and steamers must be dispersed, and when it shall be again necessary to extemporize a navy and a fleet of transports, we shall have the privilege of drawing on English workshops, which, under her construction of neutrality, may possibly be closed to us. But the proposition of thus denationalizing American shipping commerce appears so unpatriotic, as well as unwise, that we forbear to expend argument upon it.”

That language was used only four years ago. Do not let us stultify ourselves by taking action not in harmony with it.

Mr. CANDLER, of Boston: The gentleman from Philadelphia (Mr. WETHERILL) stated that it was desirable that we should confine ourselves as much as possible to the direct question at issue. I suppose by that he means the advancement and improvement of American commerce. Now, Mr. President, if we bring that proposition directly to our consideration, it is for us to answer and show how we can improve our commerce. As I understand it, the gentleman (Mr. WETHERILL) takes the ground that we can improve American commerce only by subsidizing it, and then he sustains that position by going out a little from the direct investigation of it, by referring to the needs that we have for commerce in every direction. I am glad to bring the question to a practical issue, and I see that the ground I have to take is opposed to his in many particulars. He seems to consider ship-owning of more consequence than I do. I believe that the question of ship-owning in this country is not so important as the question of cheap transportation; and, at the same time, I cannot plead guilty to the charge that I consider cheap transportation "the chief end of man," as suggested by some gentleman here. But, as a business proposition, I do consider cheap transportation as perhaps the most important commercial question that the National Board of Trade can consider. I do not profess, nor does this delegation profess, to represent the entire sentiment of Massachusetts. We are sent here as delegates, but we speak for ourselves. We hope, of course, that the majority of our people at home will be with us; but it may be that the Boston Board of Trade would not take as strong and clear a ground as I myself do on this question. I consider the question of ship-owning, as I said, as secondary to that of cheap transportation. I think we shall be obliged, if we would improve American commerce immediately, to buy our ships in the cheapest market. We may talk about subsidies, or any artificial means of improving our condition, but I claim that the man who carries freight across the ocean the cheapest will do the business. That, to me, is a self-evident proposition. It is one of the inexorable laws of trade, and we cannot avoid it. I say, when the National Board of Trade discusses this question, let it stand upon that foundation.

In regard to the question of interest. That comes next, to my mind, as I followed the gentleman (Mr. WETHERILL). He quotes here the action of Great Britain and other nations in regard to their navigation laws. I wish to speak in the most respectful manner of the great countries in the other hemisphere, and particularly of that

nation from whence we sprung ; but I should as soon think of digging up the bones of GEORGE the Third and trying to galvanize them into life, as of trying to base a policy for the United States upon the old exploded navigation laws of Great Britain. The law of 1881, to which the gentleman from Philadelphia (Mr. WETHERILL) referred, wherein the Government of Great Britain declared that British ships, manned by British seamen, should alone bring freight, belongs to the past. Who, in the light of to-day, would advocate any theory so blind ?

I say further, Mr. President, that when the gentleman talks about nations enacting laws for their own interest, he must not confuse that with the enactment of laws in favor of the interest of one class alone. When we discuss the question of interest here, let us talk about the interest of the United States of America ; not alone the interest of the builder of iron ships in Philadelphia, or the man in Massachusetts or Maine who sends his ships upon every sea. That is not the precise question. The true wealth of the United States comes out of the soil, and when the United States of America prospers, from its natural advantages, the various branches of commerce will certainly profit. Therefore, we should not be frightened by the spectre of the old navigation laws of Great Britain. We are in advance of those laws, and the requirements of our country are entirely different from those that led the wise men of that country to do as they did.

The question of subsidies, it seems to me, is very much misunderstood. England subsidized her ships because she gained her position and her wealth from her colonies. It was necessary that she should have ships sailing on every sea to carry the merchandise and mails of her own people. The Kingdom of Great Britain—a few islands gathered together—had her colonies in the East Indies, in the West Indies, and all round the world, and the wealth of the nation was gained in that way. But the mission of the United States is an entirely different one, and the wealth that will accrue to us will not come from reviving the navigation laws of the old world, which kept men estranged, but prosperity will come to us by opening our ports and by freedom of trade with all the world, by inviting them to our soil, and then taking from the soil that which will benefit all. I read with interest an address which one of the delegates, whom I see before me, (Mr. BURWELL, of New Orleans), delivered before one of the literary institutions at the South, a copy of which he had the kindness to send me, and I remember two or three lines which I should like to quote, as bearing upon the argument which I wish to make. He said that the “price of liberty was not eternal vigilance, but

perpetual progress." After listening to the long roll of the navigation laws of Great Britain, I am reminded of this remark of my friend (Mr. BURWELL). We must discuss great commercial questions in the light of to-day, and we must show that we have progressed beyond the theories of the past.

In the same connection, the gentleman from Philadelphia (Mr. WETHERILL), quoted from a resolution passed by a Commercial Convention in 1868, which Mr. EDWARD ATKINSON supported. I cannot answer for the position of this gentleman in 1868, but I can answer for it now, and I know he has made progress since then, and that he stands where I do.

Another argument in favor of subsidizing American ships seems to be, that they cost more than foreign ships; that the taxation in this country is so great that the ship-owner has to pay more for his ships, if built here, than they can be bought for in other countries. I am free to say, sir, that that, in my judgment, is the very reason why we should have free ships. I wish to take the animal by the horns, and I say the very reason why we should have free ships is because it costs so much to build them here. If the ocean were not the highway of the world, I should think the argument of the gentleman (Mr. WETHERILL) was more logical. But the fact is, the ocean is the highway of the world; you must meet men there on equal terms. You cannot avoid it. You cannot enforce national laws upon the ocean. The man who carries freight the cheapest will carry it; you cannot avoid it; and it seems to me the nearer we come to this plain proposition of trade the better. Therefore, to this argument drawn from taxation, I say that the cost of American vessels is one of the reasons why we should have the privilege of buying ships abroad. But what is the cost of a vessel to-day? We discussed that question a year ago, and I must say, although it is a very important subject, and I speak with some interest upon it, it seems to me rather too late to talk about it; for even since last year, what do we find? We find that a ship can be built at Wilmington within ten per cent. of the price upon the Clyde. I believe that whatever may be the neglect of the United States Government,—for, I say, the record of the last ten years shows a positive neglect in not changing our navigation laws,—whatever may be the neglect of our Government, the force of circumstances will eventually equalize the thing. The high cost of coal and iron in Great Britain, whether the navigation laws of the United States are right or wrong, will eventually bring ship-building to this country. But why should we have lived under this abuse? Why should we not have recognized the fundamental principles for

proper action, and had more of the advantages of the immense amount of wealth that has been poured into foreign lands during the last ten years in the transactions between Great Britain and the United States, and between the two great divisions of the world?

Mr. President, in my opinion, had the gentleman from Philadelphia (Mr. WETHERILL) joined with us and advocated, a year ago, the free purchasing of ships, and could we have had the present navigation laws repealed, the demand from the United States would have carried the price so high, that England would have come to America to-day, as she will by and by, to get her ships. I believe that the only reason why, for so long a time, they have there had the building of ships, is because American enterprise and capital were shut out from the markets of the world to purchase,—a blindness that no other nation was afflicted with. It was and is humiliating to an American merchant to go to a foreign port and see a ship offered at auction which may be bid upon by the representatives of every nation in the world, all other governments openly and fearlessly giving to the citizen who purchases it the protection of their flag; but the United States merchant alone, if he buys it, must carry it under a power of sale mortgage. Why? Because a certain class in the community, as it seems to me, —I speak most respectfully,— with a mistaken view as to our true position, insist upon clogging the freedom of trade with navigation laws that will not permit an American citizen to own a foreign-built vessel, keeping out ships which we want to purchase to carry our freight cheaply, while they temporize by urging the Government to the payment of subsidies.

The argument of the gentleman (Mr. WETHERILL) was confined almost entirely to the question of subsidies. Now, I not only take the ground that subsidizing a line of steamships would be giving a bounty to a special interest; I not only take the ground that it could not serve the purpose and insure permanent improvement to American commerce, but I claim that it is one of the most corrupting features that we could introduce into the laws of the United States. I take direct issue with the gentleman (Mr. WETHERILL), and answer his question. He asks the Boston delegation if permission to withdraw articles of foreign production for ship-building, without duty, is not a bounty. I say it is not a bounty, in any sense. There is a difference between rebating a tax levied and presenting to a special class five thousand dollars, or five hundred thousand dollars, to do a special work. Upon almost all the articles which we manufacture or purchase in the United States, which are taxed, the United States has established the principle of giving a rebate. In Philadelphia they

have it on their petroleum. Upon sugar, the gentlemen who represent Baltimore and other cities engaged in that trade, well know that we pay a duty on the raw material, and we get a rebate when we export the refined article. That is not a bounty ; it is a rebate of a tax levied. It is an entirely different thing. If it was a bounty, we should not advocate it ; but in no sense do we admit that position to be correct.

But further than its not being a fair business proposition, we say there is nothing which would so corrupt this people, as to allow the Government to drift into a system of subsidizing. Need I mention the bill which was offered to Congress in 1871, which proposed to give a perpetual charter to a company for building vessels, to establish a great ship-yard, and to lend to them the credit of the United States Government, to the amount of twenty millions, upon their agreement to pay the interest on the bonds ?

[The ten minutes having expired, leave was granted the gentleman to proceed.]

If we open the door to such schemes as that, what will be the result ? We know that at certain times in the history of our country, both the political parties (I do not speak only of one) will, if they think it is the wish of the people, assist gladly in pushing such a scheme as that ; and I contend that the National Board of Trade, first of all, if it was for that alone, should plant itself upon the ground, "No subsidizing of any special interest," and claim that the development of such enterprises should be left to the people themselves. When the argument comes up that certain railroad companies have received grants from the Government, I would not except that ; I do not believe in subsidies at all. That something of that kind may have been done which was supported by the United States, I do not deny ; I have nothing to say as to that ; but I will not admit the principle of subsidizing at all ; and when we see it come up repeatedly in this form for great ship-building companies, (for at the time this bill was presented, there was another one pressing), the prudent and patriotic course, the course which tends to the interest of this country, is to plant ourselves firmly in this National Board against such schemes. If you cannot prove that it is for the commercial advantage of the country to give subsidies, if you cannot prove that they will assist commerce, certainly there can be no possible reason why you should open the door to corruption, or aid a few people to try to enrich themselves by subsidies, by inducing the country to pass such laws as these.

Mr. President, this question of subsidies is as broad as the land itself. I see no reason why you should patronize a great corporation, representing millions of capital, in private hands, and assist it by giving it a great bounty, any more than you should go down to Maine and offer the men who build vessels for the coasting trade and the Cuba trade, in competition with Canada, the assistance of the Government in building their little vessels, until they grow as strong as the capitalists who build these great vessels.

My position, then, is this: that the proposition to improve American commerce, by offering subsidies, is erroneous in principle and will not serve the purpose; that the only way in which you can improve the commerce of the United States, upon the high seas, is by opening it to the world. If you can buy a ship cheaper in England than in America, go and purchase it there; if you can build it here more cheaply, you can do without the English ship. If that policy is adopted, as it should be in regard to every thing else outside, over which we have no control, one of these days we can go further, and meet this question of free trade. We all admit the principle of free trade, as far as the common brotherhood of man is concerned, and free traders oftentimes desire to apply the principle; and why, I say, should we not begin and walk in the true way? We wish to progress; we desire the Board to look at this question as it is, upon its own merits, and if the commerce of the United States can be strengthened in this way, let us not be frightened by the words *free trade*. We hope the protectionists will not look at it in that way. We want their votes upon this question; we wish to convince them that this is not like the general tariff question, for I repeat what I said in the beginning, the high seas are the highways of the world.

There is one other point to which I desire to refer. I presume the gentleman from Philadelphia, (Mr. WETHERILL,) had an object in reading that extract about patriotism, whether he indorsed it or not. As I listened to it, I considered it as an extract which he desired should have an influence upon the minds of delegates here, that no one might do any thing or give any vote that could be in any way construed as an unpatriotic act or vote. I want to meet the question besides, because it does bear upon the discussion, in regard to a foreign invasion, or in regard to the effects that a war might have upon this country for the want of ships. I think it is fair to say that that question was settled by the last war. It was very evident to the ship-owner, that if the United States were to enter into a war with a foreign nation, no ship of either nation, under any

circumstances, would be able to sail the sea unmolested. If the "Florida" and "Alabama" could destroy commerce as they did, how much more could we, or Great Britain, or France, sweep it from the sea! The man who owns a ship must, under those circumstances, seek a port or lose his vessel. That is as clear as that the sun will rise to-morrow morning. Taking the theory of gentlemen on the other side, they must claim, to make it consistent, that under some circumstances, the United States would not be a ship-building country. I take the ground that we shall be a ship-building and ship-owning country, under any circumstances; that no law could by any possibility be passed that would prevent our owning ships in our own interest. You may keep them out; we shall still have them. We have a larger amount of internal commerce than Great Britain, and under any circumstances, we should own, and shall own ships enough to use if required in case of war. I am opposed to the idea that we should keep ourselves ready for war at all times. I do not want to be taxed and have my money wasted in that way. We have had so much success, I have now so much faith in the United States, that for one I advocate going forward, fearless of the rest of the world, so far as our not being able to take care of ourselves is concerned. If we have a war with any nation under the sun, let us be careful to go into it on the right side, and be sure that we fight for truth and humanity, and we may depend upon it that we shall come out right. As I said in the debate last year, I do not know just how the United States would succeed, but somehow, we should be equal to our antagonists. If England had ships built of steel or iron, and France had better ones, the genius of the people of the United States would destroy them all, if called upon to do it. My faith is immovable; I could not be frightened by any threat of war. I say, cultivate the arts of peace; and then, if we are forced into a righteous war, our Government will have the sympathy and support of the world, as it has to-day. If we should go to war with Great Britain, I said before, I thought we might fight with the lightnings of heaven. That may be too strong an expression, but I feel that, somehow or other, we should be victorious. Since this question was discussed at the last meeting of the Board, I have had a conversation with a naval officer of great intelligence, and he has told me that the torpedo system which we had developed made us invincible; that there was no such thing as a fleet taking the cities of the United States. I admit that merchant ships, temporarily, can be destroyed; that is a matter of very little consequence; but when they talk about sending in their iron fleets to take the cities of the United States, they certainly will

find themselves mistaken. I understand from this gentleman that they could take fifty common tug-boats in Boston or New York harbor, put on the bows a large timber, and on the end of that timber place a torpedo that would destroy the strongest ships. I believe this to be true, and I wished to give these reasons, because we are sensitive about patriotism, and I would not advocate any thing that could, by the extremest flight of fancy, be called unpatriotic. I wished, I say, to give these reasons why, in discussing such a question as this, I cast all these things out. I say it is a question of ship-owning, and while I should be glad to see American ocean commerce improve, I cannot admit that there is any way for it to prosper immediately, except by our having free ships. If it do not prosper then, we shall recognize the fact, that the man who carries the freight the cheapest does the business.

Mr. BUZBY, of Philadelphia: I have listened with a great deal of interest to the able discussion of this subject on either side, and I do not propose, at this time, to go into any minute detail, but to discuss it on some very broad and general principles. While we were sailing in the harbor yesterday, on that pleasant excursion provided by the hospitality of the merchants of New York, I heard the remark made by a number of gentlemen about me, as they surveyed the various ships in the harbor, "what a pity that all these ships should bear foreign flags!" The flag is but a small part of a ship, and the satisfaction and triumph of seeing the American flag flying upon vessels that our own skill and ingenuity had not constructed, would be a very insufficient triumph to me. I should like to know that the labor of my own country had been employed in the manufacture of that ship; and when I looked at her graceful outline, and reflected upon her various high purposes and capacities, I should have liked to know that it was the genius and skill of my own country alone, fostered by benignant and proper laws, that had enabled that vessel to float upon the sea.

But, sir, there is one thing that strikes me quite forcibly, and that is, that the example of foreign countries is quoted to us in support of adverse propositions. At one time, the example of Great Britain is held up to us as showing the propriety, necessity and sound policy of free trade; and at another time, we are told that her example teaches exactly the reverse. But to me, from what little history I have been able to read, the whole teaching of foreign nations, and their practice upon these subjects, has been this: that they protect all branches of industry; they take hold of them in their infancy, carefully mature them, and when at last they have reached such a position

that they can come into fearless competition with the same branches of industry in any other part of the world, they throw the gates open, and say to the world, "we can defy competition, we can force our goods upon all the markets of the world; you cannot come in and beat us; and only because we feel safe, do we open our gates." That has been the example of England, France and Russia, and every country practices upon the same doctrine to-day, unless it be poor, decrepit Turkey, in debt to every country, without roads, without prosperity, the land almost a desolation. Do we want such a country as that?

Transportation is far from being the chief end of man, or of a great nation. What we want in our country is diversified industry. If New England has thriven, as she has, by a protective policy that has built up her manufactures until she can say, "we can compete with the manufacturers of Great Britain, and we want free trade," why, when her people have derived so much benefit from this protective policy, — which I heard DANIEL WEBSTER say, in his great speech in Philadelphia, was indissolubly connected with the prosperity of the United States, — are they disposed to exclude this grand interest; which, notwithstanding what has been said, is eminently patriotic? There is nothing which so attracts the admiration of the world, as a powerful mercantile and naval marine. This is the pride of all nations, and should be our pride; and I cannot but regard with indignation the transfer of that great branch of industry to foreign powers, when the subsidies that should be granted by the Government of the United States, to encourage the building of vessels in this country would be so small, for the furtherance of an interest so great and imposing, that it would be absolutely imperceptible. And yet we, to save this imperceptible cost, refuse to grant a boon which would construct a mercantile marine, and, by giving our ship-owners (a proposition which the gentleman from Boston, (Mr. CANDLER,) seems to think rather contemptible) the command of our own marine, keep our labor in practice in a branch of industry always difficult and of the greatest importance, and which can only be done by keeping them employed upon work of that kind. We shall become ship-owners and ship-builders, and the time will come, at last, when we shall say with Great Britain, having enjoyed all the advantages of protection, "Now, we have the ships, and we ask the world to come into competition with us, and defy the world to out-build us. Now, we want no subsidies; we dismiss them to the winds." Obviously, we are not now in a condition to say this. I simply claim for this great interest, which is now languishing, that protection which the

manufacturing interest has enjoyed. I ask for that interest the protection which has enriched Massachusetts. With a comparatively sterile soil, Massachusetts has, under the benign influences of protection, grown rich, and now that she has enjoyed that benefit, she should be magnanimous, and be willing that every other branch of industry, and especially the one that has not of late prospered, should be encouraged and lifted up.

I think that the resolutions (at least on our side) which have been submitted, are not exactly such as I should like to have put before the house; and I therefore desire to submit the following as a substitute:

Resolved, That ship-building, as a branch of domestic industry, is as worthy of Government protection, as any other that is so fostered. Its transfer to other countries, and consequent neglect or abandonment in our own, can hardly be regarded with more favor than the surrender of our iron, coal and manufacturing interests to foreign nations.

Resolved, That in a patriotic point of view, it is our duty so to encourage our own ship-builders, as to ensure our possession of naval armaments in time of war. Skilled artisans are a potent element of national defence. It should be our aim to excel in every department of civilized industry, and so fully occupy each and all of them, that our strength shall be perfect at all points.

Resolved, That in the navigation laws of Great Britain, which, for several centuries, have protected her ship-building interests, as also in her modern policy of subsidies to steamship lines, we discern the benefit of direct governmental aid in creating and increasing a national mercantile marine. The example and experience of that great commercial empire, alike indicate the course the American people should pursue.

Resolved, That in the opinion of experts, our ships are built of better iron, and capable of greater endurance, than a majority of the same class constructed abroad. Possessed of first class material, we need only to encourage its use in American marine construction, to give us once more a controlling position on the seas.

Resolved, That this Board commends the return to American registry, at the will of the owner, of all tonnage alienated during the war to foreign flags. This would relieve our ship-owners without breaking down our ship-builders. A just concern for the growth of a truly American marine forbids more extended permission to ship-owners for the acquisition of foreign built ships.

Mr. DORR, of Buffalo: I am not going to move that the gentleman's resolutions be laid upon the table, but I should like respectfully to suggest, that if the great State of Pennsylvania wishes to build iron ships, she may be allowed to do so, without asking the United States Government to protect her in doing so. That is all, sir.

Mr. BURWELL, of New Orleans: I represent, sir, on behalf of the Chamber of Commerce of New Orleans, one of the resolutions included in the propositions now under discussion, and I rise to say, that so far as that resolution is concerned, inasmuch as it is covered by the series of resolutions from Philadelphia and Boston, I propose to discuss the substitute which is now properly under consideration, and this resolution.

The gentlemen from the river cities, Cincinnati and St. Louis, with myself, represent, perhaps, an interest that is more deeply concerned in this question than any other delegation on this floor. We are interested not only in the consideration of measures to secure commercial modes of foreign transportation, but very deeply also in the removal of those taxes and charges upon the domestic transportation of this country which have weighed it down so heavily. I shall surprise this body, and particularly the gentlemen from Philadelphia and the gentlemen from Boston, so thoroughly conversant with the shipping and navigation interests of the country, when I tell them that there is not a vessel or steamboat that floats upon the Mississippi river that does not pay the Federal, State, and Municipal Governments six per cent. in taxes. There, sir, is a heavy burden upon internal transportation; and it is in view of that fact that I say (and I presume I speak for other gentlemen whose interest coincides with my own) that I am interested in any reform that will promote cheap transportation.

The gentleman from Cincinnati (Mr. TAYLOR) said yesterday that he did not regard transportation as the chief end of man. Sir, transportation is, in a political, moral, and patriotic sense, one of the most important elements in the prosperity of this country, and if it is not the chief end of man, it is the means of supplying food to man to a very great extent, and it is from that point of view that it should be considered. It is transportation which makes cheap food. It is transportation which enables the farmer in the interior to produce a staple which he can sell in the market; it settles your land; it extends your territory. This subject of transportation,—the removal of a commodity from one place, where it exists in abundance, to

another where it is needed,—embraces a great deal. It is with the feeling that this subject is one of vast importance to this country that I approach it, and therefore I am in favor of doing anything that will promote cheap transportation upon either land or sea.

It occurs to me that there are two reasons why American navigation has been impaired. One is, that a very large amount of transportation was lost in consequence of the conflict that occurred between the two sections of our country. Another is, that there are eight million tons of freight transported annually from the west bank of the Mississippi, crossing the Mississippi and Ohio, which, under the old course of trade, would have gone down the Mississippi river and round to the Atlantic cities. That business once maintained a very large amount of shipping, which is now almost wholly gone. We still have something of a coastwise trade between the North and the South, but it is small in comparison with what it formerly was.

But there is another great reason, and that is, wood has gone out of fashion as a material for building ships. I apprehend that the gentlemen from Canada would have admitted, if the question had been put to them, that ship-building in Canada is declining. Wood is abandoned. British shipping is abundantly rewarded, but the old practice of building sailing vessels of wood is going out of fashion. The world demands speed and certainty, because the safety of transportation and the speedy delivery of property enter largely into the negotiations for the purchase of it. The ship-building architecture of this country has been checked. It hesitates; it does not go on constructing vessels of wood as it formerly did. There are many reasons for this. One has been adverted to by the gentleman who has so eloquently and admirably denied the ability of this interest to protect itself in time of war (Mr. CANDLER). Sail and wood vessels are unable to defend themselves when there is an enemy abroad. In this connection I will state, that sixty odd per cent. of all the cotton exported from New Orleans to Liverpool goes by steam, at a cost of thirty per cent. more than is charged by sailing vessels. The steamers take the same commodity, travel the same path, go to the same market, and although charging thirty per cent. more, they take a large proportion of the cotton; and I apprehend the result will be, that the entire commerce from the mouth of the Mississippi, of all valuable commodities, will be conducted by steam, and not by wood and sail at all.

Now, sir, the gentleman from Boston (Mr. CANDLER), in discussing the capacity of this country to defend itself, and in discussing particularly the causes that led to the meeting of the Geneva Conference,

and the adoption of this great principle for the protection of navigation and commerce, referred to an instance to which I allude only historically, and for the purpose of showing that this great Anglo-Saxon race is a common brotherhood, and that wherever you put them they will make their mark. Give them what you will to do, and they will respond to civilization that they have done it. They perform their work well in every department; sometimes unfortunately, but they produce great results; and one of the sparks struck out by the extraordinary collision between the two sections of this country was this very discovery, that the nation which owns no ship upon the sea, which has no commerce, is superior and more powerful upon the ocean than Great Britain herself. The more a nation has at sea, and the less her antagonist has at risk, the greater is her danger. Take any nation that is without a port, and let it put its order into some market for half a dozen large-sized iron-clads, and neither the vessels of Great Britain nor of America could go to sea.

There was another fact developed in that contest which I might commend to the gentleman from Boston (Mr. CANDLER). In a speech recently delivered by Commodore MAURY at St. Louis, he stated this fact: That during the war, a torpedo-system had been invented by the less powerful section at war. It was invented as a means of defence, and produced, to a certain extent, imperfectly as it was organized, that effect. Commodore MAURY stated, that a short time since, the Prussian Government had conferred with him, and he had placed the system at their disposal. In due time we shall learn that they have so lined all their navigable waters with torpedoes as to make them impassable to hostile vessels.

I am prepared to advocate any proposition which will give us more transportation. I believe the first iron vessel was built at Pittsburgh, on the banks of the Ohio, under the superintendence of Commodore HUNTER. I hope to see American shipping come out of American waters. You will find it much easier to move the men who work upon the ships where the materials are to be found, than it is to move the heavy material to the workmen to be perfected and sent back.

I have no particular objection to subsidies, and I advocate every proposition, no matter what may be its character, that tends to enlarge and increase transportation upon the ocean. I should prefer, as a matter of course, that the vessels should be built in this country. I should prefer that they be built in such a manner as to encourage our own workmen, and consume our own fabrics and commodities. But we want more shipping; and we want more transportation for

the interior waters of the country and on the ocean. I shall wait for further discussion upon this subject, and if the propositions can be so combined that we can recommend to Congress one single proposition which will promote the interests of both the ship-builder and the ship-owner, I shall be very glad to vote for it.

Mr. ROPES, of Boston : There is a great deal of fog out of doors, and I think there is some within. I am not sure whether our Western friends know what we want at the East ; and I do not at all blame them if they do not. But the question lies a little deeper than we have treated it. It needs a word simply of explanation, and I will state it.

The truth is, that before the war, we needed no protection in our ship-building, except such as we had. We had our yards, we had our skilful American artisans, we had our enterprising merchants, and, above all, we had a moderate tariff and a sound currency. If you will give us back the tariff and currency of 1861, I will venture to promise that we will ask for no favors on behalf of American ship-builders. I venture to appeal to my friends from Portland, who know more, probably, about the practical bearing of this question than most of us, perhaps than any of us, if I am not right in making this statement.

What is the remedy ? That is the question. We cannot restore the tariff and currency of 1861, although I think we should never rest until we are on the road to restore a reasonable tariff, at least, whatever it may be in its details, and a sound currency. Then our ship-builders will ask and need no favors. In the meantime we must have, wanting that, some temporary relief. How is it to be afforded ? The resolutions just read are somewhat vague in their character, but there is not a great deal in them which is objectionable, if they are taken with the usual interpretation given to such things. But what would they accomplish ? There are some things that we could not possibly assent to, not even a majority of us here, and if they were assented to, they would not reach or touch the evil. Then comes the question, What shall we do ? Shall we request the Government to give us subsidies or bounties ? I think our Western friends are unanimous in opposing that, and I think I may say, in general, for the East, that we are unanimous in opposing that. Now, if the West and the East, which are at least as much interested as any other section, unite in this view, I do not see any use in our friends from the more central sections uniting in the endeavor to force them upon us. We do not want subsidies or bounties. We are opposed to them from principle. We believe them to be demoralizing, if not in intention,

at least in tendency, and almost sure to fall into wrong hands. Moreover, we do not think that any subsidies or bounties that would be granted by Congress would be of any avail.

I wish simply to say, in regard to the Boston resolutions, that we do not expect any great results from them; at least, I do not; perhaps some of my friends are more sanguine than I; but I do not believe that any of these temporary measures will do a great deal to relieve our shipping interests; the burdens are too heavy. It has been said, I have no doubt justly, that our ships must pay very heavy taxes, Federal, State, and Municipal. That may all be true. The same thing has been said by another person (Mr. BURWELL) in regard to the vessels on the Western rivers; that may be all true; but it is perfectly evident that where there is no competition from abroad, somebody must pay those taxes, and, in the end, the consumers must pay them. Of course, there must be river vessels and coasting vessels, and their expenses must be paid, and paid, in the long run, by those who get the benefit of their use; otherwise, the work would not be done. Therefore, I do not think we need ask Congress to help them. They are in the same box with all the rest of the country. We are all oppressed by multiplied taxation; we are still more heavily taxed by a most vicious currency; and, I say, unnecessarily taxed, as I hope we shall find out by and by, by a great many exorbitant duties upon foreign commodities. All these things fall upon us alike, and so long as it pleases the people who represent or misrepresent us in Congress to keep on these impositions, we cannot help ourselves, and somehow or other we shall live under them, or through them, until we become wiser and get rid of them.

But now comes the question of competition upon the high seas. I think any one will see that it is virtually impossible for us, so long as we are burdened by the heavy taxes imposed by a vicious currency and an oppressive tariff, to build any ships at home that will compete with the ships of foreign nations; and it seems to me perfectly reasonable that we should be enabled to have our own ships. We want to compete with others in carrying foreign freight. We want to send our grain and petroleum abroad, and bring back foreign goods in our own ships. We want to own our own ships, and receive our own goods in them, as we did before the war. There is but one way, absolutely but one way, in which that can be done, and that is by allowing us to buy foreign ships, free of duty. I do not advocate this as a general rule, but I say there is no measure that will help the matter except this of buying ships abroad, admitting them free of duty, and letting them be owned by American citizens. Otherwise,

we shall never have any ships to amount to anything, except those that are protected in special ways.

I must ask my friend (Mr. CANDLER) to accept an amendment that will limit the application of the resolution to shipping engaged in foreign trade. I do not think it would be fair, when all our domestic steamers and coasting vessels are burdened with such an enormous load of taxation, to allow any one to bring in foreign vessels to compete with them, and I desire strictly to limit that proposition to vessels engaged in foreign trade; if they engage in the coasting trade, whether for a longer or shorter period, I should insist upon duties being levied upon them, in some form or other, that will make their burdens, for that length of time, equal to those of vessels built at home. I believe that is the remedy for the existing difficulty.

With regard to subsidies, I cannot agree with the gentleman from Philadelphia (Mr. WETHERILL), who says that a subsidy is exactly the same thing as a rebate of duty. The principle is entirely different. He bases his argument upon the proposition, that every article imported into this country is naturally and necessarily subject to duty. Now, it is one of the first principles of the political economist, and all parties, Whigs, Democrats and Republicans agree in it, that a tariff, whether levied for revenue or protection, must give, incidentally, protection to those interests which most need it; and especially it is agreed on all hands, that the necessities of life, and that the raw material for the manufacture of those implements by which the industry of the country is promoted, and which enable the laborer as well as the capitalist to do his work, should be, as far as possible, free of duty. That is the reason why we do not levy the same duty upon segars, brandy, wine, etc.,—the luxuries of life,—that we levy upon lumber, or upon tea and coffee, which are now, somewhat injudiciously, I think, admitted free. And so we all understand, that there is a certain principle of common sense by which the articles most needed, not only for use in the houses of the people, but for the development and encouragement of their industry, should be burdened with as light a duty as possible. Our opponents, therefore, have no right to tell us that every article should pay an equal proportion of duty, and that it is unjust to let any article come in unless it pays a full proportion of revenue-duty to the Government; and that principle being once shown to be false, the whole argument built upon it falls to the ground. And, therefore, as I said before, the difference between subsidies and bounties on the one hand, and a revenue-duty on the other hand, is a fundamental and vital distinction, and there is no use, as it seems to me, of any further argument in that direction.

It seems to me that there is nothing in all these propositions which are before us, which will be of any particular benefit. I should be very happy to vote for all the resolutions which do not propose to encourage subsidies or bounties ; but, in my opinion, the only one which will do any good, is the proposition to allow ships to be imported free of duty. But I wish it to be distinctly understood, that whenever our shipping interest is restored, as I fully believe it will be, by a return to a sound currency and a suitable tariff, foreign ships should pay a fair duty, in proportion to other merchandise.

Mr. WETHERILL, of Philadelphia: In reply to the gentleman from Boston, (Mr. ROPES,) I want to say this: that when it is asked, by the parties pressing this matter, that a ship shall be admitted free of duty, it has no connection whatever with any thing that is now subject to duty, but it is just exactly in this shape:—A ship is composed of iron, hemp and a variety of articles, every one of which is subject to duty. Now, the gentlemen from Boston want those articles put into a ship, and the ship to come in free, when the articles themselves are bound to pay a duty under the law. I say that is an indirect subsidy, beyond question.

Mr. BRANCH, of Richmond: I take it for granted that everybody is ready to vote upon this question. The gentleman from Boston, (Mr. ROPES), who spoke so lucidly, has convinced my mind that there is only one resolution in the Boston series to which we can all agree, and that is the last one:

"Resolved, That justice to the ship-owning interest and the best welfare of the national commerce, alike demand that the right be conceded by law to American citizens to purchase tonnage, wherever built or owned, and to place it under the protection of their own flag."

I am against bounties and subsidies. I rise now to call the previous question, but I do not want to gag any body who wants to make a speech.

Mr. FAIRBANK, of Chicago: I wish to say a very few words. Very often in the history of the world it has occurred, that after people have discussed this or that question, and been unable to agree upon it, some higher power seems to come in and settle it all at once. Providence intervenes. That is the point to which I want to call the attention of this body. We might debate here for ever, and we should never agree upon this question, but I think Providence has directly intervened in this matter. The advance in the price of labor, coal and iron, in England, has been such that the production of iron ships, in three years, will not be a question which we

shall want to debate. Pennsylvania will be called upon to build all the iron ships she can; she will not want any subsidy or tariff. It is just as plain to my mind as the light of day. It has been stated by some gentlemen on this floor to-day, that iron ships can now be built at Wilmington, within ten per cent. of their cost on the Clyde. Now, with the present price of pig iron, some sixty dollars a ton, when it does not cost but about twenty-six dollars a ton to produce it, I want to ask gentlemen if they do not think, with their knowledge of the trade, that that price will stimulate the production of iron in this country to an extent that will bring the price down inside of forty dollars a ton in two years; and if iron vessels can be built at Wilmington, with iron at sixty dollars a ton, within ten per cent. of the cost on the Clyde, what can we do when the price of iron is reduced to forty dollars a ton? I tell you Providence has settled this question for us, and it is very immaterial what action we take upon it. I should rather trust it to Providence a little while longer, than have this Board recommend to Congress the adoption of the principle of subsidies.

Mr. JAMES, of Philadelphia: This is a question of supporting the Government. There are different modes of reaching it; but I do not suppose any gentleman wants universal free trade. It is necessary that a certain amount of money should be collected upon imports. This being conceded, what do our friends from Boston ask? They want to continue a system of isolation. They assume either that the shipping interest is not worthy of encouragement, (though they do not exactly state it in that form,) or that Providence has so arranged it that the building of iron ships will be carried on in certain sections of the country; but they will not have a duty. Now, the view we take is that they ought to pay a duty. It is, I believe, as praiseworthy to build ships as to make calicoes or blankets, or any other article. These articles have duties imposed upon them, and why should our friends in New England, who are interested in the making of blankets and calicoes, say, "If you, in Philadelphia, want to build ships, you should have no protection." *Equality* is what we ask for—only *equality*.

Mr. ROPES, of Boston: May I say one word in regard to this matter of competition, for I wish to make it clear. I have often said, and find myself almost compelled to say again, that I trust I shall never come into this Board with any sectional object. If the gentleman thinks otherwise, I only regret that he fails to appreciate my motives in coming here. And I will pay all other gentlemen the compliment of saying the same in regard to the motives which actuate them.

This is not a free trade crusade, and we are not actuated by a desire to break down our tariff by attacking one point after another in detail. I should have supposed that the private conversation I have had with the gentleman, would have made it impossible for him to take that view of any thing I should say in this place; that, however, may or may not be the case. But here is the point, and it is a very important one. Our ships engaged in foreign trade must compete with ships built abroad. Now, as has been well said by the gentleman from Chicago, (Mr. FAIRBANK), if the price of iron and coal go up abroad, so that vessels cannot be built there except at an advance of fifty per cent., then we can afford to pay that advance, either at home or abroad. All we want is to get ships as cheaply as they are bought by the foreign ship-owner, and I want to have all the protection upon our domestic vessels, and the coasting trade, that we can have. There should be no inequality there. But in regard to blankets, and all sorts of things, whether made in Massachusetts or in Pennsylvania, they are consumed at home, and they come into no competition whatever with foreign articles, except when those articles have paid an enormous duty. Therefore I think it is perfectly consistent to say, that every thing we consume, which is produced at home, without competition with foreigners, must be subject to an equal duty, and that all we consume from abroad, under competition with foreigners, must be exempt from those enormous and onerous domestic duties, so as to be as nearly as possible free. We desire to have the privilege of using foreign-built ships; if those foreign-built ships should cost, owing to the high price of iron and coal abroad, as much as, or more, than domestic vessels, you may rely upon it we shall prefer to buy at home.

I hope I have made that point perfectly clear, so that further explanation will be unnecessary.

Mr. HAWLEY, of Detroit: The gentleman from Philadelphia, (Mr. BUZBY), has presented DANIEL WEBSTER in the light of a protectionist. On the other hand, I desire to present that distinguished statesman in the attitude of a free trader. Up to 1824, he was the staunch and unwavering advocate of "Free Trade and Sailors' Rights," alleging that the time had fully come, when all that "Intelligence and Industry ask is fair play and an open field." In 1828, Mr. WEBSTER cast his first vote for a protective tariff, while yet his colleague, NATHANIEL SILSBEE, and the member of Congress from Boston, voted against the measure.

In justice to the "Defender" of the Constitution it is proper to say, that he gave as a reason for this radical change on his part, the

passage of the protective tariff of 1824. In 1828, in the Senate of the United States, he said "New England, sir, has not been a leader in this policy; on the contrary, she held back herself, and tried to hold others back from it, from the adoption of the Constitution to 1824." He further said, "Nothing was left to New England after the passage of the act of 1824, but to *conform* herself to the *will* of *others*."

Mr. President, permit me to express the intense satisfaction I feel on seeing strong evidences that New England is throwing aside the policy mis-named protection, that for a time obscured her ancient light, and now appears on this floor most ably represented by an unbroken delegation of free traders. The West, the East and the sunny South will unitedly raise their voices in behalf of a free navigation and an unrestricted commerce. The time is near at hand when the island of Nantucket will not suffer a depletion of her population, to the extent of seven hundred during a single presidential term; but when her hardy sailors will return to their homes, and again find remunerative employment upon the decks of a rejuvenated merchant marine.

Mr. LIPPITT, of Providence: I think it would be impossible for this Board, with the various interests that are represented here, to pass any of these resolutions to-day. I therefore rise to make this motion, that we postpone the whole subject for one year more, requesting the Executive Council, with the light and the wisdom that, at the end of another year, it may be able to bring to bear upon it, to bring it up again, if it shall think best.

I propose, in response to the suggestion of the gentleman from Chicago, (Mr. FAIRBANK), to trust to Providence, or to that great unseen power, which he calls Providence; but which I think is the natural result of the laws of trade — the natural result of the laws of supply and demand. In other words, I propose that we trust to the workings of the system, as at present constituted, for one more year. My impression is, if we should pass a resolution here to-day, authorizing the importation of foreign-built ships free of duty, that in view of the high price of labor, iron and coal in England, our friends in Boston would hesitate before ordering a foreign-built ship. It is a question that is coming rapidly to a point, and as my friend from New Orleans, (Mr. BURWELL), says, it is working itself out. The laws of supply and demand are producing an equality in the cost of ships, as they do in other things. If there is a surplus of any thing in one quarter of the globe, it boils over and goes to another, where there is less of it. Now, sir, the effect of this thing is as sure

as can be. If we have cheap iron and cheap coal here, we shall soon be able to compete with England or any other foreign nation in the building of iron ships. I think it will be wise for us, situated as we are to-day, to allow the subject to rest for one year more, at least, and I trust that, before the end of that time, there will be no further necessity for the discussion of this question here. I therefore move the postponement of the whole subject, to be called up at the next annual meeting, in such shape as the Executive Council may think wise and proper, and call the previous question.

The call for the previous question was sustained, and, the question being upon the motion to postpone to the next session, Mr. ROPES, of Boston, demanded the yeas and nays.

The roll was called, with the following result:—

Yeas: Messrs.—

Buzby,	Hamilton,	Lippitt,	Perot,
Cook,	Haskell,	Malone,	Rowland,
Dempster,	Hersey,	Marsh,	Stranahan,
Duncan,	Hill, (C. E.)	Maurice,	Vinal,
Goshorn,	Hoffman,	McClave,	Ward,
Graham,	Holloway,	McCrea,	Wetherill,
Gray,	James,	Munson,	Young,—31
Grosvenor,	Johnson,	Murison,	

Nays: Messrs.—

Branch,	Fairbank,	Neff,	Taylor,
Burwell,	Farnsworth,	Parr,	Thompson,
Candler,	Ferguson,	Patten,	Wessel,
Chickering,	Fisher,	Ropes,	Wheeler,
Coale,	Hawley,	Sargent,	White,—23
Dorr,	Hazard,	Smith, (W. E.)	

Mr. HERSEY, of Portland, from the Committee on the annual assessment, presented a report, recommending the Executive Council to reduce the annual expenses of the Board by at least one-fourth, and to take steps to bring other local bodies into the membership.

After some debate, the whole matter was, on motion of Mr. McCREA, of Chicago, referred to the Executive Council, without instructions.

Mr. COOK, of Cincinnati: I will offer this resolution, as connected with the subject just discussed:

Resolved, That the Executive Council be directed to report at the next annual meeting of the Board on the propriety of fixing a permanent place for the annual meetings of the Board.

Adopted.

On motion of Mr. THOMPSON, of Baltimore, leave of absence during the remainder of the session was granted to the delegation from that city.

The Board then adjourned to Saturday morning.

FIFTH DAY.

SATURDAY, OCTOBER 19, 1872.

The Board was called to order at ten o'clock by the President, and prayer was offered by the Rev. Dr. PRIME.

The journal of yesterday was read and approved.

On motion of Mr. How, of Chicago, leave of absence was granted to the delegates from the Detroit Board of Trade, and to Mr. McCREA, of Chicago, during the remainder of the session.

On motion of Mr. HAWLEY, leave of absence was also granted to Mr. BRANCH, of Richmond, and to Mr. FERGUSON, of Troy.

The PRESIDENT: I have to report, that the Executive Council has considered the subject of the place for the next session of this Board, and unanimously recommends that Chicago be selected.

On motion of Mr. DUNCAN, of Louisville, the Board concurred in the recommendation.

The PRESIDENT: I have also to report, that the Executive Council has unanimously reelected Mr. HAMILTON A. HILL as Secretary and Treasurer of the Board.

The Board then took up article eighteen on the programme:

XVIII.—REFORM IN THE METHOD OF VOTING.

Resolved, That in view of the increasing danger of corrupt political combinations and the tyranny of party organizations, this Board would urgently recommend to Congress and to the legislatures of the several States, the adoption of some improved system of voting, such as the so-called HARE system, by which the intelligent sense of the people may be ascertained and expressed, the tyranny of majorities overthrown or at least greatly mitigated, and the reign of unscrupulous and profligate politicians and demagogues brought to an end.

• Mr. ROPES, of Boston : *Mr. President*,—This is a new subject to come before this Board, and it has been supposed, and even asserted, not only here but in Boston, that we were going out of our province to consider it. I think a little reflection will show this to be a great mistake. This Board, by its Constitution, is debarred from all political questions, and it is assumed that this is, in that sense, a political question. It is in the broad, and full, and true sense of the word a political question, and so is every question which has come, or is likely to come, before this Board. If every question which concerns the body politic is a political question, then political questions are precisely the questions which we are to debate. We have a number of systems and organizations by which the work of the community may be said to be carried on ; and, of necessity, in every civilized community, there are such organizations on a large scale. We have, for instance, a vast organization for the transportation of passengers and freight, of persons and commodities, all over the country ; a system of roads, railways, steamboats, and canals. We have a system for the communication of thought and the education of the people, comprising a vast organization of post-offices, mail-routes and mail-carriers, all over the land. We have an organization for the exchange of commodities through the community, which involves complex systems of weights and measures, of currency and banking, every one of which has come under the consideration of this Board. We have a vast system for the collection of revenue, and that system has been a study in this Board.

Now, there is also a vast system and organization by which the will of the people is ascertained, or by which, so to speak, it is sought to be ascertained and carried out. In other words, a system of voting and a system of administration. Now, sir, if all those other systems, which concern the welfare and progress and industry of the community, are germane to the debates of the National Board of Trade, and this one system, more important than all is to be ignored, it strikes me we commit a logical absurdity, which needs only to be stated to refute itself. And, indeed, of what use would it be for us to argue here about railroads, and water-transportation, and post-offices, and finance, and revenue, and banks, if, after arriving at what we consider to be the best results to be attained, we send to Congress dishonest or incompetent men to carry out the will of the people ? It is obvious that the first and most important duty of all is to purify our system of elections.

I know the time of this Board to be precious, sir, and therefore I will try not to waste it in illustration. I hope my statements are

sufficiently distinct and clear to be understood. The whole subject to which I am about to refer has been treated in a brief and comprehensive essay by a well-known New York lawyer, DAVID DUDLEY FIELD, and published in the *Annals of the American Social Science Association*, I think, about two years ago. Gentlemen who have read that essay will understand a great deal more about the subject than I can here tell or explain to them; but for the benefit of those who have not seen it, I will endeavor to show, as briefly as possible, some of the evils of the existing system, and some of the methods by which it appears possible, in part at least, to remedy them.

Take, in the first place, the existing method of electing our representatives. Let us suppose, by way of illustration, that Massachusetts elects ten representatives by one hundred thousand voters, sixty thousand of whom are Republicans, and forty thousand Democrats, and pretty evenly distributed throughout the State. Whether elected in the mass or in districts, the probability is that every Republican candidate will have a majority of votes, and there will be ten Republicans elected to represent these one hundred thousand voters. Obviously, four-tenths, nearly one-half of the whole population, remain entirely unrepresented, as to their principles and objects, in the legislature, whether of the State or nation. Let us now suppose these forty thousand Democrats are so arranged in districts, (supposing the election to come off by districts,) that they constitute a majority in seven districts,—which any gentleman can see, by a little calculation might easily happen. There would be a majority of more than five thousand in each of the seven districts, containing ten thousand voters each. Therefore, in these seven districts, seven Democrats would be elected; the other three districts would, no doubt, have Republican representatives. Sixty thousand Republicans would be represented by three men; forty thousand Democrats by seven men. Two-fifths of the whole would have a majority of seven-tenths of the whole.

Let us suppose now that, according to the first supposition, ten representatives, all Republicans, are elected. They have not only to legislate upon political questions, where the parties are strictly divided, but they have to consider many public questions on which their own party may be divided. There are certain questions of political economy which are notoriously held in one direction by one party, and in various directions by another party. Let us suppose, now, that a question comes up of some importance (we may easily imagine some of very great importance), upon which the forty thousand Democrats have all one mind, and the sixty thousand

Republicans are about equally divided, and it is almost a matter of accident, whether the majority goes one way or the other. But it so happens that the majority in the legislature of the Republican representatives, which constitute the whole representation, are on the side opposed to the Democrats. We have then forty thousand Democrats and about thirty thousand Republicans, seventy thousand men, controlled and entirely defeated in their intentions and wishes by the votes of a bare majority of their representatives. Seventy thousand men are defeated by the representatives of a little over thirty thousand.

These illustrations are quite enough to show what I mean: that it is possible, under any system which exists now, whether elections take place in the mass, or take place by districts, to bring about a result which shall be utterly contrary, not only to the wishes of a majority, but of a very large majority of the people; and in that way the people may ultimately become so discouraged that they will not care to vote at all. I will not stop to ask whether that is the case now.

Mr. President, this is not the only difficulty to be remedied. There is another, and I think even worse evil resulting from this system of electing by bare majorities; and that is, that in order to get a majority, each party is obliged to submit to an organization of the most vicious character. There are certain men who are called by various names; the most comprehensive, and perhaps the least honorable, is that of politician; they are also called "wire-pullers," "log-rollers," and I know not what beside. These men meet together, very few in number, and get up a caucus. The men of their party come to the caucus, if I may venture to say so, like sheep to the slaughter, or a lamb to be offered up, and submit to whatever their friends tell them is necessary in order to be popular, in order to get the party vote first, and then the vote of the people. They, therefore, submit to whatever nominations these intriguers, wire-pullers, or politicians choose to lay before them. We all know how these nominations are engineered through the caucus; we all know how they are got before the people. We all know it is done in the most irresponsible and reprehensible manner. These men, not only not the best men, but often the very worst, come before us for election, and the only choice which the voter has is between the representatives of the two parties, except in those cases, comparatively rare, where there is a third party strong enough to hold the balance of power; but generally, it lies between the representatives of the two principal parties. Now, if either party can get a man so much better than the other, that the mass of the community will feel that he is, at least, the preferable alternative of

two evils, they are pretty certain to secure his election. We are, therefore, subject to constant demoralization. Every year, I think, the choice of the wire-pullers seems to get a little lower, and where we shall land, I really do not know, unless some relief is brought about. We are getting demoralized. We begin to think that it is of no use to take any part in politics, it is of no use to vote for any candidate. Sometimes the choice of evils is sufficiently distinct to make it worth while for us to cast a vote. Sometimes we feel that we would rather Providence, or, perhaps, the opposite of Providence, should decide it in any way that it thought best.

Now, Mr. President, I hope we all wish to see a reform of this state of things. That is to say, we wish to see the people represented in their legislatures, for from the legislatures emanates every thing, and the legislature controls, in a great degree, the administration. You may get the best man in the country for President, and the legislature may hamper him so that he cannot do any thing. He may choose just the best man in the nation to be Secretary of the Treasury, or for any other office, and the Senate may refuse to confirm him, and what can you do about it?

Now, to make it possible that, at least, the minority as well as the majority shall be represented, and, better still, that it shall be possible to bring before the nation candidates for whom good men will vote, irrespective of party, I think there have been six different methods suggested or proposed in the various political communities where free governments exist, and I will proceed to notice them.

The first which I will mention, or the first two, for they need hardly more than be mentioned, are the methods of substitution and of proxy. That is, if I vote for a candidate, and it turns out that he is elected without my vote, I am permitted to vote for another, supposing there are a number of candidates to be elected, so that my vote is not thrown away. I think it is obvious that this would be a very difficult method to be carried out, liable to great abuses, and too cumbrous to manage.

Again, it is proposed to allow men to vote by proxy, so that a person, after finding out the state of parties, may cast not only his own vote, but that of a great many of his neighbors. It would be a great saving of time and trouble, but I am afraid it would be very demoralizing; and if we concede that large numbers of proxies might be purchased by unscrupulous men, in some such modes as we know something about in large cities, I think much mischief might result.

Then comes what is called the limited system, which seems more worthy of notice. That is, supposing there are three candidates to

be chosen, no man is allowed to vote for more than two. This system would work in this way: If there were three hundred voters, and three persons to be elected, the total number of votes being six hundred, two hundred would elect a candidate. Now, it is obvious that a minority of one hundred, by concentrating their votes, can do this; and, of course, the majority of two hundred, however well organized they may be, and however united, can only elect two candidates. Under such circumstances, you get a very definite representation, and apparently a very just one of the minority. But there are two objections. In the first place, it tends to confirm, rather than diminish, the tyranny of party, because this can only be accomplished by the strictest party organization. In the second place there seems to be an inherent injustice in it, in taking away from a man his right to vote for the full number of candidates who are to be elected. It seems to me that it is an attempt to do evil that good may come, though in case of necessity, I would submit to it, rather than have no reform at all.

The next plan is called the cumulative vote. That is, if there are ten candidates to be elected, for instance, and each man is entitled to ten votes, he is allowed to give the whole ten for one candidate. So that, in the case supposed, if there were ten thousand votes in one district, in order that one candidate may be elected, he must have over five thousand votes; and five hundred and one voters, by giving him their ten votes each, can secure the election of their candidate. But it seems to me this method is liable to a still greater danger; and that is, that in a small city, the unscrupulous men, by combining together, can manage to elect, perhaps, the worst man in the country by uniting all their votes upon him; and that one bad sheep may spoil the whole flock.

Now I come to the only two systems I am disposed to speak of with any thing like absolute recommendation. The first is not, perhaps, the most perfect, but may be the most available, and may serve as a valuable stepping-stone to the last, which is the most perfect in theory, and which has been the subject of experiment, and found to work with very little friction and very little trouble in practice; and I will say, that to attain such an end as a just representation of the opinions of the people, and to enable all good men to unite upon good candidates, I think no amount of trouble, and no amount of expense which I can conceive probable, would be worthy of a moment's consideration.

The first is what is called the list-method of voting. According to this method, each party prepares its own list of the full number of

candidates to be elected ; each voter selects one of these lists, and the first names on each list are declared elected, in proportion to the number of votes cast for that list. There are, for instance, ten candidates to be elected, and we will suppose there are a hundred thousand voters,—sixty thousand Republicans, forty thousand Democrats. The Republicans put forth, as they necessarily would, I should think, when it became a matter of political safety, the very best list they can muster, and as the names first on the list would be likely to be elected, they would be sure to put their best men foremost. They would make a list of ten names, and the Democrats would do the same. We will suppose that the lists are so good that all the Republicans would vote for their party list, and all the Democrats for theirs, without making any changes. The result would be, that the first six names on the Republican ticket would be elected, and the first four names on the Democratic ticket,—that is, the best men whom the majority had nominated, and the best men whom the minority had nominated, would be elected. Could anything be more satisfactory, except for the fact, that it still keeps up the tyranny of party organization ? But it gives us the best prospect that better men will be nominated, and that the leaders will be influenced by something higher than the mere vulgar hope of checkmating their adversaries, which they will find, in that case, they cannot do.

[Mr. RORE'S time having expired, it was extended by vote of the Board.]

Now, let us suppose that the Republicans or Democrats, being misled by some evil influence, "moved" (as I believe the legal phrase is) "by the devil," should want to get in a bad man, and supposing that bad man was sixth on the Republican list, or fourth on the Democratic list. Is it not perfectly evident that enough Republicans would go over to the Democratic list, or enough Democrats would go over to the Republican list to shut that bad man out, so that in the one case, the Republicans would get seven and the Democrats three, and in the other case, it would be five to five. I think, in such an illustration as I have given, the working of the system would be unexceptionable. Of course, we must suppose that many cases would happen where the result would not be so satisfactory ; but I think, in any case, it would be better than the present outrageous tyranny of the majority.

Now, as I have said, if I were to recommend to Congress, or the legislature, or any body, the adoption for our country of an improved method of voting, I should recommend precisely this which I have described, because I believe it to be excellent in itself, as far as it goes, and the best stepping-stone to something better.

Now comes the last system,—the one named in the Boston resolution; not because it was intended to say it was the best and most desirable one to be adopted, but simply because it had been a great deal before the Boston public, and because it was a good illustration of what was meant by the Boston resolution. This is called the HARE method. Every voter is allowed to put in his ballot for himself, and in addition to the names furnished him by the party organization to which he belongs, he has a right to add as many names as he pleases, and he may place his names in any order he prefers. For instance, let us suppose there is to be a presidential election. As it is a merely hypothetical case, it is just as well to take the actual candidates. My first choice, we will say, is a man by the name of O'CONNOR; I would put him down number one; my next choice is HORACE GREELEY; I would put him down number two; my third choice is ULYSSES GRANT; I would put him down number three; my final choice, last of all, might be Mr. CHARLES FRANCIS ADAMS; I would put him down fourth. Thus every voter would put down his candidates in the order in which he preferred to have them. If he could not get Mr. O'CONNOR, he might be willing to have Mr. GREELEY; if he could not get Mr. GREELEY, he would, perhaps, have General GRANT rather than have nobody in the chair; and if he could not get any one of these candidates, he might possibly be willing to submit to CHARLES FRANCIS ADAMS rather than have somebody whom he knew nothing about. I will not, however, begin with a presidential election. I will return to an election such as I have spoken of, for ten candidates for representatives to Congress. There are, perhaps, twenty men brought before the people as candidates, or there may be ten, or twelve, less or more. Every man will have ten men whom he would like to send to Congress, and he will begin with his first choice, then his second, and so on. It is probable that the first choice of most voters would be the best man, and he would have a great many votes,—a great many more than he needed. It would operate in this way. There are a hundred thousand voters and ten candidates; therefore each candidate ought to have ten thousand votes to be elected. That is what is called the quotient of votes necessary to elect him. When the votes are counted, it is found there are twenty thousand for this one candidate; ten thousand voters, therefore, have thrown their votes away. If they had known it, they would have given their votes to somebody else, being sure that their favorite would be elected without their help. This system allows them to do just that. If the ten thousand votes that are first counted bear the name of Mr. A., he is declared elected, and crossed

out of the rest of the tickets. Suppose ten thousand more have that name on their list as first choice, it is crossed out, and their second choice is counted instead. Mr. B. comes next, and if there are ten thousand votes in all for Mr. B., (that is, of first choice and second choice,) he is declared elected. . So it goes on, until it is ascertained how many representatives are elected in this way ; and then there are various ways of completing the election. Some say, let those who have the most votes come first. In Boston, at a mock election which was held for the purpose of trying this principle, a very excellent plan was found to be, to throw out all the names marked number one which had no chance of being elected, and let the second choice in every such case take their place, which often gave to some one of the candidates enough votes to elect him. But these are mere details which could be elaborated by any committee that might be appointed by Congress to put the thing in proper shape, and I will not dwell upon them, except to enforce the main principle, that every man should vote for the candidate he prefers, and every man would do so, if he thought there was a chance of his election. At present, he has no such chance, and does not do so. And when his first choice is elected, without his vote, that vote is not thrown away, for it is transferred to his second choice, and that man has the next chance.

Now, I will ask you to see how this can be applied to a presidential election. Let us suppose that there are three candidates, A., B. and C. Each of us would rather have A. than B., and C. we think utterly unfit for the Presidency. But let us suppose that in consequence of party tactics, three million voters are equally divided among these three candidates. What is to be done? If every man has put on his ticket the candidates of his first, second, and third choice, it is obvious that while vote number one will be given for his party candidate, his second choice is likely to be the man whom all feel to be the best. A. gets his million votes as first choice, but in addition to this, in all probability, he will be the second choice of the greater part of those who vote in the first place for B. or C. as the nominee of their party. Therefore, the moment it comes to bringing in the second choice, as a new element to complete the first choice, adding the votes for A. as the second choice of the voters for B. and C., to the votes for A. as the first choice, we shall find almost three millions, perhaps, for A., and a most insignificant minority for B. and C. Would not that be a satisfactory result?

I have no wish to take up any more time. I will only add, that besides this essay of Mr. FIELD, which is very instructive and complete in its classification of the different systems, there has been put

into my hands, for the inspection of this Board, since I came here, a book by Mr. SOLOMON B. DUTCHER, published in New York this year, with the title, "The Minority; or Proportional Representation." It professes to be a very thorough examination of the whole subject, and an explanation of the different schemes, and I commend it to the members of this Board.

Mr. HOFFMAN, of Philadelphia: I have listened with a great deal of attention to the gentleman from Boston, (Mr. ROPES,) but I rise to make a motion which I suppose will not be altogether agreeable to him. I do not consider that this is a question with which we have any thing to do. I, myself, am in favor of letting the majority rule, and I believe that any system that may be adopted will be liable to greater evils than the present system. I therefore move that the subject be laid upon the table.

Mr. TAYLOR, of Cincinnati: I should like to move, in courtesy to the gentleman who introduced it,—and I am not certain that it is not a matter which concerns us,—that the whole subject be referred to the Executive Council.

Mr. HOFFMAN, of Philadelphia: I will withdraw my motion.

Mr. ROPES, of Boston: I was about to make the same motion that my friend from Cincinnati, (Mr. TAYLOR,) has made.

The motion to refer to the Executive Council was carried.

XIX.—THE COTTON TAX.

The refunding, by act of Congress, of the money collected under the cotton tax during its continuance.

Mr. WHEELER, of Mobile: I have no remarks to make upon the subject, but simply offer a resolution:

Resolved, That inasmuch as we learn that the question of the cotton tax is now before the Supreme Court, we do not desire at this time to interfere, but to allow it to remain in its present position.

Mr. ROWLAND, of Cincinnati: I rather regret, sir, the motion of the gentleman representing the Board, which proposed this question to the National Board of Trade. I had hoped that it would be met, for the reason that it has been laid before almost every commercial body of this country, and very urgent appeals have been

made to the body which I have the honor to represent, in part, to take action upon it. I trust that the proposition will be taken up, and that it will be defeated, so far as the expression of the sentiment of this Board can go in that direction. But if the gentleman does not desire any discussion of the question, I will waive it.

Mr. MURDOCK, of Mobile: Our suggestion is, that the consideration of the subject be postponed, out of deference to the Supreme Court, which now has the question before it for a judicial decision. So far as we are concerned, and the other bodies in our portion of the country, we do not propose to abandon it. If the Supreme Court shall decide against us, and declare the tax constitutional, we shall then appeal directly to Congress for a little more generous legislation on that subject.

The question was then put, and the motion of Mr. WHEELER, of Mobile, agreed to.

XX.—FREE TRADE IN MONEY.

Resolved, That Congress should be memorialized to pass such laws, as will leave to each State the right to establish the standard rate of interest, in the absence of a specific contract between parties, but shall make all persons free to trade in money, by borrowing, loaning or otherwise, at such rates of interest as may be agreed upon, without restriction or limitation by the laws commonly known as Usury Laws.

This proposition was discussed, very briefly, by several gentlemen, and various amendments were proposed, until the resolution took shape as follows, in which form, on motion of Mr. WETHERILL, of Philadelphia, it was adopted:

Resolved, That the Executive Council be directed to memorialize the legislatures of the several States in which usury laws exist, to establish a standard rate of interest, in the absence of a specific contract between the parties, but to leave all persons free to trade in money by borrowing, loaning or otherwise, at such rates of interest as may be agreed upon.

XXI.—REDUCTION OF DUTIES ON IMPORTS.

Resolved, That this Board regards with great satisfaction the recent action of Congress for the partial relief and protection of American industry, by a moderate reduction of duties on imports; and believes that much remains to be done in the same direction, and that a still further reduction would greatly benefit both producers and consumers, by stimulating industry, by checking waste and extravagance, and thus promoting economy of production, and by diminishing the enormous cost of living, almost unequalled in any other country.

After some remarks by Mr. ROPES, of Boston, and Mr. WETHERILL, of Philadelphia, it was moved by the latter to amend the resolution so that it should read as follows :

Resolved, That this Board regards with great satisfaction the recent action of Congress for the partial relief and protection of American industry, by a moderate reduction of duties on imports, and believes that both producers and consumers are thereby benefited, by stimulating industry, by checking waste and extravagance, and thus promoting economy of production, and by diminishing the enormous cost of living almost unequalled in any other country.

The amendment was accepted by Mr. ROPES, and the resolution, in that form, passed without a dissenting voice.

XXII.—REPEAL OF THE TARIFF DUTY ON RAILROAD IRON.

Mr. MURDOCK, of Mobile : I move that the subject be indefinitely postponed. (Laughter.)

Agreed to.

XXIII.—CONTRACTION OF THE CURRENCY.

Resolved, That the National Board of Trade reaffirms emphatically its declaration of December, 1871, that it is incumbent on the National Government to prepare by a moderate but steady contraction of the Legal Tender currency, for the ultimate resumption of specie payment by the National Treasury and the National Banks, and believes

that such contraction, instead of curtailing the legitimate credit and industry of the people, will rather tend to enlarge them by checking unwarrantable speculation, and thus restoring capital to its proper channels, by greatly enhancing the value of all national securities, by restoring a sound and just standard of value, and by substituting for a fixed and unelastic volume of irredeemable paper, the precious metals and the credit legitimately based on them, the amount of which is practically inexhaustible.

Mr. ROPES, of Boston : I am afraid I ought to apologize for appearing so often, but it so happens that our propositions have all been crowded in at the end, which I suppose we must attribute to the malice of the Secretary, who, coming from the same place, of course, might not be willing to give Boston a fair chance. But I will endeavor to have my revenge upon him, by being as brief as possible.

I do not want to go into an argument about the currency, either in the abstract or the concrete. I believe that we are all agreed that we have a right to a standard of value, and a good one ; that there is but one good one known in this or any civilized community ; that we have been deprived of this standard of value, and have in the place of it, a vast amount of paper money, which has not only never been redeemed, but for the redemption of which no provision has as yet been made, or, I am sorry to say, is at present likely to be made. We therefore stand in the position of a nation without a decent standard of value, and a nation owing three hundred and fifty-six millions of irredeemable paper, which some are proposing to increase to four hundred millions, admitting, at the same time, that we have not a dollar in the Treasury for its redemption, or intended to be used for that purpose. This, of course, I cannot but consider as a disgrace to this great commercial nation. One argument was used in Boston with great earnestness, perhaps a year ago, by an advocate of the present system, that, at any rate, this currency was the best possible, in this respect, that under it, the rate of interest had never materially varied ; while under the old system, we sometimes had interest at one or two per cent. a month. Well, sir, in the last few months, there has been a change, as we all know, and I merely allude to the fact to say, that we are by no means in a satisfactory position ; that we are going from bad to worse ; that this late tightness of the money market is merely one of those periodical spasms which will occur, and grow worse and worse, until we are forced to bring in specie payments, or we shall be forced by unthinking men to issue

more irredeemable paper, and then there will be no hope of redemption. It has been said by my distinguished friend from New York (Mr. OPDYKE), and others have coincided in his view, that we can grow up to this volume of currency. If we grow up to it, it can only be by the volume becoming proportionately more and more contracted by the increase of population, until the pressure becomes so great that we shall call in gold to supplement the paper. We know to what a terrible scarcity of money we have lately been subjected. I have heard of rates per diem which were equal to three or four hundred per cent. per annum. I believe it to be true that such rates have been paid. The complaints have been grievous of the terrible scarcity, and there was no hope, for there was no paper-money to come from England, France, or any other country. Such a pressure, under a specie currency, would have brought in at once fifty millions of dollars from abroad. It could not bring in a dollar, and we had no relief but to wait until the pressure was mitigated by the reaction from its own severity.

Is it not perfectly evident that we cannot stand this? How near did gold come to par? It did not go down two per cent. from all this pressure. I suppose it has averaged about thirteen per cent. above par; there has been no material variation for a year. Two years ago it was predicted that we should have specie payments that year. I replied that it would not come that year nor the next, unless the volume of currency was contracted. It is a strange thing to some people that contraction should be the remedy for this scarcity, but it is exactly on the same principle that when you have a dislocated limb, the remedy is not to go on fomenting it, but to press the bone back into its place. You may suffer from the temporary strain, but when the bone has returned to its place the pressure ceases, and no further strain is experienced.

I have heard it said that our present currency is the best in the world; that it is guaranteed by the Government; that it is infinitely more perfect as a medium of exchange than anything we have had before; that it goes all over the country at par; that it makes no difference whether it comes from New York, or Philadelphia, or Mauch Chunk, or a hundred other places of which we never heard in our lives, it is all equally current, and one note pays debts as well as another; it is all currency of the United States, and we have no fears about it. But there is this vital difficulty, that with all the machinery to make the best currency in the world, we have not got it, because the promises are not paid. It is just as if we had the most magnificent tree that could be imagined, but with no life in it. It

may stand very finely, but if there is no life there will be no leaf, there will be no shade, and no fruit. I am reminded of what our distinguished President said at the banquet last night, of the time when there was nothing but well-water in New York, and bad enough it was, as I know it was in Boston. Suppose there was a vast amount of machinery created for bringing water from the Croton river to this city, and distributing pipes and faucets in every home, the most perfect currency of water that the world had ever seen; but suppose that the only water that came through those pipes was the washings of the gutters and the water that fell from dirty roofs carrying with it the excrement of animals, and I know not what besides,—would you call that the best water-supply in the world? No, sir. It is the inherent value that is wanting. Only give us a currency redeemable in specie, and I will grant you that this whole machinery of national banks and greenbacks is the best in the world. There is nothing better than the security of the United States; but when the United States promises to pay and does not pay, that is taking the best security in the world and making it a bye-word and a disgrace to the nation. That is what I complain of.

I hope this resolution will pass unanimously. It is a very moderate resolution, drawn with great caution and care. It simply reaffirms what was said a year ago, and I hope every gentleman will vote for it.

Mr. VINAL, of Boston: I have occupied very little of the time of this Board, because I feel that I am not competent to get up here and make a speech that will read well, or perhaps sound well; but I have some views on this question very different from those of the gentleman who has just taken his seat, and as I happen to come from the same neighborhood, I should like a few moments to present them.

I the first place, I would ask the gentleman (Mr. ROPES) to answer me one question, and that is, for what object the national banks were established, for whose benefit were they established?

Mr. ROPES, of Boston: I should say the question is rather a complex one. The object for which their charters was granted was to benefit the nation by an improved currency and better banking facilities. The direct object for which the people became stockholders in those banks, I suppose, was to benefit themselves.

Mr. VINAL: That is my idea; that the banks should be for the benefit of the people of the United States, not for the benefit of the stockholders. They may have money to loan, and it is legitimate for them to loan their own money; but I hold that we have, in the

greenbacks, the best circulating medium this country ever had; (applause); and I hold further, that we never have seen the time when we wanted the greenbacks redeemed in gold or withdrawn. Mr. Secretary McCULLOCH tried it, and called in a certain amount of greenbacks, per annum, and did not pay them out again; but this policy created so much dissatisfaction among the business men of the country, that he was obliged to abandon it.

I contend that the gentleman's illustration of a dislocated limb was inapplicable. I will admit that there is a diseased limb and a sound one, and if you cut off the sound one, I want to know how we shall hobble along. The diseased part is the national bank system. My idea is, that a return to specie payments can be brought about within five years without the redemption by the Government of one dollar of the three hundred and fifty-six millions of greenbacks. I go further than that, and say that it may put out two hundred millions more, and nobody would ask it to redeem them. Just oblige the national banks, which sold the people's gold at a premium of from fifty to two hundred per cent., and have got but little of it in their vaults now, to call in their circulation, and when they get it in, to take back the bonds, which are their capital, now locked up in Washington, depriving all the business men in the United States of over three hundred millions of what they call bank-capital; but it is like my having a hundred thousand dollars in my bank, and lending Mr. ROPES that hundred thousand dollars, if he will only give me back seventy-five thousand of poorer stuff to circulate among the people. I want to know how men can do business in that way. And when, in addition to that, he says to me, "Mr. VINAL, be very prudent, keep twenty-five per cent. of what I let you have on hand, to be sure you do not get into trouble," how much of my hundred thousand dollars have I got to use in my business? This is the position of the national banks of the country to-day. This city is the representative city of this continent, and I hold in my hand the last quarterly statement of the national banks here, which shows that in June, 1872, their capital and surplus amounted to one hundred and two millions of dollars. In October, their capital and surplus was one hundred and two millions, dropping fractions. In June, these national banks had a circulation of twenty-eight million four hundred thousand dollars, and in October, they had a circulation of twenty-eight million two hundred and sixty thousand dollars,—a very insignificant reduction. In June, they had due to other banks, eighty-seven millions, which, of course, was the deposits of other banks in the banks of this city. In October, they had sixty-five millions of the money of other banks. Of deposits, in June,

they had one hundred and twenty-nine millions; in October, one hundred and eight millions. Of loans, in June, they had one hundred and ninety-eight millions, and in October, one hundred and eighty-three millions. Of gold and silver, in June, nineteen millions; in October, six millions. Of greenbacks they had, in June, fifty millions; in October, thirty-nine millions.

Now, gentlemen, you see that there has been a great decrease, amounting as follows: In deposits, forty-three millions; loans, fifteen millions; cash (gold and silver), twelve millions; bills, twelve millions; and in stocks (which I suppose are Governments, which they have had to sell during these hard times), five millions. They have reduced their whole business from three hundred and forty-eight millions in June down to three hundred and four millions in October.

Now, how is it with the banks under the State laws of New York? Their capital, it appears, is twenty-two millions. They have no circulation, except the bills that they have been unable to call in. Between June and September, they have had a reduction in their deposits of two and a half millions of dollars; they have increased their loans to the public one million three hundred and four thousand dollars, while the national banks have decreased their loans fifteen millions. Which, pray tell me, are the banks for business men to do their business with, who want accommodation? Give me the State bank, that has not a dollar of circulation, because its means are not tied up in Washington. The decrease in gold in these State banks, between the two periods named, was a million and three-quarters, and their decrease in greenbacks was about a million, and still they afforded the mercantile community more aid by one million three hundred thousand dollars than they did in June, when money was easy; while the famous national banks, which help the people so mightily, have cut their loans down fifteen millions, when they most needed accommodation to do their fall business. I want to know if this fact does not show, on the face of it, that the national bank system is not what we want?

My proposition is, compel the national banks of the United States to redeem every three months five per cent. of their circulation, and let them take back the bonds in Washington and sell them in the market, if the times are hard, and they want the money to aid their depositors. Of that five per cent. of circulation redeemed every three months, require them to keep one and a quarter per cent. in hand in specie, and then, when they have got their bills all in, they will have the specie to commence on. Now, they have nothing but a beggarly

six millions in banks representing a hundred and fifty millions. We do not want gold, as is proved by the fact, that twenty-five millions of the coin in the Treasury is held on coin-certificates that the speculators have got down here. They do not want to carry the coin round; they would wear it all away to gold-dust, and so they leave it in the Treasury, and take instead some poor pieces of paper that represent it.

I repeat, the greenback is the best money that ever this country had for circulation. Every man, woman, or child who sees it will prefer it to the dirty bills that they pay out to us over the bank counters. I say, give me something that I can put in my pocket, and I would rather have one of Uncle SAM's greenbacks than any national bank bill ever made. That the security of the National Government is the best, is proved to every man in the country by the fact, that the people require Uncle SAM's indorsement on every note a national bank issues. If anybody gives me a poor piece of paper, and says, "There is a splendid indorser on it," if I know the promissor is not sound, I say, "Give me the indorser's plain note, and take away your rags, I don't want them." That is what I say now: Give us a pure greenback currency, and my word for it, when the national bank circulation is called in, there will be a demand made upon the United States to issue two hundred millions more of the good, plain, handsome greenbacks, to take the place of it. When we see that day, we may make some other arrangement to give the people a circulating medium; but now the people are paying the banks eighteen millions in gold annually, for the poor privilege of having an inferior kind of money to that which they ought to have, without one cent of cost.

Mr. CHITTENDEN, of New York: I did not intend to occupy a single moment of the time of this session, but my venerable colleagues have intimated that the youngest man of the party ought to be heard, at least, for an instant, and I therefore rise to say one or two things in respect to this matter. I do not mean to make a speech, for two reasons: in the first place, I am not prepared for it; and in the second place, there is no time for it. But I want to say to my friend from Boston, (Mr. ROPES,) who spoke first, that I think his resolution is a little out of fashion. The tides of a year have swept away a great many things which we supposed to be true and real twelve months ago, and among them, in my judgment, they have swept away all thought of a resumption of specie payments in this country under the banking laws, as they stand. In respect to the remarks of the last speaker, (Mr. VINAL,) I wish also to say, to begin where he left off, that I, too, believe that the Government

greenback is to be the future paper money of this country. I will not go into an argument on that subject, but I call the attention of the practical business men present to this fact: the two most civilized and the wealthiest nations of the world have considered this whole question of a paper currency, century after century, and with what result? We have the English bank-note, which passes everywhere in the British empire and everywhere upon the continent of Europe, and even upon our own continent, at par; and, sir, I have hope that in my time, or in somebody's time who is now living, America will have a paper currency which will be good as far as telegraphic wires reach. (Applause.)

Now, sir, how are we coming to that? The late events in this city have, I think, demonstrated what I carelessly said, three or four years ago at Richmond, I believed to be true, that before we had any specie payments in this country the banking system now existing, which was good in its day, and which has worked well for us, must be essentially modified. What is the drift of public sentiment in this country in respect to the great causes which tend to develop its resources and its intelligence? Freedom! freedom, Mr. President, freedom everywhere; and I am for just as free trade in banking as in merchandise. (Applause.) I would allow Mr. ROPES to establish a bank in Boston to-morrow, and if he could get his neighbors to deposit their money with him, for him to loan to his other neighbors who wanted to borrow it,—I would leave him free so to do; but if he wanted to issue his paper, I would compel him in some form to make that paper as good as the greenback. I have no definite plan in my own mind, because, as I said, I did not expect to say a word on the subject when I came here other than that I intimated at the beginning: that as the basis of all our paper circulation, the Government will continue to issue its greenbacks, because other nations have proved that this is the best paper money that any people can have, and we can never get away from that idea, in my judgment.

We have lately had here, in New York, a crisis, a sort of blockade of all business and all money matters, growing out of one feature of the banking system, which certainly cannot survive another year. I am sure that Congress cannot assemble and adjourn without so modifying the banking system that that preposterous twenty-five per cent. reserve shall be abolished. The whole system should be taken in hand, in my judgment, and be made to conform to such measures as are necessary for the honor and honesty of this Government in looking to an ultimate resumption of specie payments. We have drifted on for the last four or five years,

and our Government has drifted on, waiting to see what would turn up, without taking any steps in relation to this matter whatsoever. It knows perfectly well that we cannot remain for ever under any such circumstances with an irredeemable paper circulation. The business men, the honest men of this country, have no idea that five years more will pass away without some earnest, thoughtful, determined steps being taken with reference to the resumption of specie payments. He would be a very bold man who at this crisis, at this particular juncture and state of things, should undertake to propose a definite and clear plan with reference to that. I believe that this Board is perfectly competent to do it; I wish I could believe that Congress was as competent: but, gentlemen, you come here, and expect in five days, besides the enjoyment of all the good things that you find, to legislate thoughtfully and finally in regard to all the great questions which concern the commerce and welfare of this country. Well, you will see Congress come together in December, and it will take it until Christmas to find accommodations and to get fixed, and a month or two longer before it will be ready to take up any matter of business. If this Board of Trade could be transferred to Washington, I believe that it would, in a very brief space of time, long before Christmas, devise some practicable and sound scheme for the reorganization of our banking system, and for the consequent resumption of specie payments.

I rose, sir, to propose a resolution, as short as possible, in place of the one advocated by Mr. ROPES. It is very general, and, as it seems to me, it meets the case so far as we can meet it:

Resolved, That the National Board of Trade urgently recommends the National Government to take steps looking to the ultimate resumption of specie payments by the Government and the banks by such revision of the national banking system as experience proves to be necessary for the accomplishment of that end.

I would gladly stay here a week to listen to the wisdom of gentlemen whom I see around me on either side, who have studied this subject carefully, and who understand the root and marrow of it, or who think they do. I should be glad to sit at their feet and learn their wisdom, and to assist, if possibly I might, in some subordinate position, in devising the real remedy for our present situation; but we have only a few hours left, and it seems to me perfectly plain, that however interesting the discussion might be, we have got to generalize as the final result of that discussion. If so, to recommend,

in the terms of the resolution of last year, a contraction of the currency, as if the present banking system were to be continued, as if it were possible or practicable that it should be safe and reasonable for us to pass a resolution which, in the remotest manner, involves that contingency, seems to me rather behind the times. I believe that the public sentiment of this city is thoroughly awake to the necessity of appealing to Congress to do something in regard to this matter; I believe that this Board of Trade, by a proper resolution, can give energy and force to that public sentiment, not only here, but that the members of the Board can enforce it when they return to their various homes, and that there will of necessity arise, within the next few months, a determination on the part of the commercial men of this country that something shall be done, in a careful, judicious and effective manner, for the redemption of our currency from its irredeemable character at the present time.

Mr. BUZBY, of Philadelphia: *Mr. President*: I think that, possibly, in our consideration of a topic of this kind, whose magnitude is indisputably vast, we are apt to be somewhat misled by being guided too strongly by what has been done and is being done in other countries. I take it that America has a peculiar genius of her own, not only in her political institutions, but in her financial. She has an active, ardent, progressive, energetic people, full of enterprise, projecting railroad after railroad from the East to the Pacific, and everywhere and at all times having great objects in view, and straining every nerve to accomplish them. Her cities spring up almost in a night, as if created by some magical influence, and consequently her wants are to be measured by this growth, by this spirit of enterprise; and while we may have a circulating medium that for one year or two years may suffice, to say that the amount of money in circulation shall not be increased will not stop the growth of our people. Yet, we hear much in the way of recommendation and advice, that would seem to imply that the people have no right to outgrow a certain amount of circulating medium, but must have their energies cramped and restrained in order to accommodate themselves to some artificial situation. I cannot but feel amazed that this argument about contraction should at this late day be presented here. Personally, I consider that the growth of the country renders it less feasible now than ever, when we have from time to time communications from the Government at Washington, and especially from Mr. Secretary BOUTWELL, that he will interfere in some way to relieve a stringency. I am utterly amazed, at such a time, when I learn that in my own city, on Monday morning next, a public meeting of business men is

to be convened to consider to what extent the Secretary of the Treasury shall step in to relieve the people by increasing the circulation. I say, I am surprised that business men as intelligent as the gentlemen I see about me should present gravely before this Board a proposition asking the Government for a contraction of the currency. Sir, it is idle to talk about it. You could not go through the streets of this great city, or any other city of the country, and find a handful of people who would advocate such a measure.

Now, sir, what shall be done in this matter? We have had a speech from one gentleman (Mr. VINAL) indicating his preference for State banks. The State banks in the vicinity in which he lives may be all he claims; but in the city in which I live, the national banks have infinitely the preference; they stand far higher in the public esteem: and I believe that throughout the country at large, notwithstanding some faults may be attributed to them, they are regarded as the most desirable mode of applying the currency for the benefit of the people that can be devised. I do not mean by this to claim that they are perfect; no doubt, there is much to be done which experience will point out, and which the discretion and wisdom of the people will cause to be accomplished.

But we stand at present in this way: our growth, we may be assured, will continue to be rapid and great in population and in enterprise. How are we to get our increased banking facilities? Are we to go to Congress every winter and ask that there shall be a large amount of circulation set afloat, thereby disturbing the channels of business throughout the entire country and exciting an abnormal spirit of speculation? Shall we do that, or shall we here and now express ourselves in favor of a system which shall leave the whole matter to those laws of supply and demand which I have heard so favorably spoken of by gentlemen since I have been sitting here? We have already passed resolutions in regard to free trade in money and free trade in ships. Now, I am in favor, as the gentleman has said who has preceded me, (Mr. CHITTENDEN.) of free trade in money in every respect. I would not have such organization of banks as would make them a solid phalanx, whose numbers were not to be intruded upon nor increased; but I would leave the matter open, so that the number could be enlarged or diminished, just as the wants of the community might demand. I have listened many times with a great deal of interest to calculations as to how many dollars *per capita* were needed in a commercial community; but while I respect the intelligence of the gentlemen, and the spirit which has prompted them to cipher out these results, they have never seemed

to me such as we could stand upon with any degree of security. We cannot infer, from the amount of circulation needed by Great Britain, what is needed here, any more than we can determine, from the consumption of any commodity in other countries, how much will be consumed here. What would be better,—and I am sure we shall come to it at last,—for the people of this country love freedom in every respect,—would be a free banking system.

I think our currency has answered well, and I am opposed to these experiments. The gentleman from Boston, (Mr. ROPES,) talks about a dislocated limb, and if I understood him aright, he said pain must be suffered when it is wrenched or pulled back to its normal position. I agree to that, but I would not hand the patient over to the vivisectionists, a body of surgeons whose business it appears to be to take the living, breathing organization and apply the knife, to ascertain the amount of vitality, and the length of time that that vitality will enable the suffering patient to endure their puerile curiosity. I am opposed to making any such experiments upon the body politic. I do not want to see its nerves quivering, in order that the curious in such matters may ascertain how much the people are able to bear. I will not lend my aid to wring or twist it from its legitimate functions, that a few men of very large capital may make enormous percentages, and say that is the only way in which the currency can be administered, or the trade of the country promoted.

In conclusion, I desire to offer these resolutions, in the place of those which have been submitted :

WHEREAS, There is no reason why the trade in money, called banking, should be restricted by law in the amount of capital employed and the number of individuals engaged therein : and,

WHEREAS, There is no attempt so to interfere with other branches of business : therefore,

Resolved, That it is unwise to impede the free circulation of capital in the form of banking.

Resolved, That supply and demand, without legislative interference, will regulate the amount of banking capital, and the number of banking institutions, as infallibly as they control other business.

Resolved, That our national securities furnish a basis for free banking which secures its successful operation.

Mr. ROPES, of Boston : I do not wish to take any gentleman's speech away from him, but I should like to say a few words on some assumptions, and some arguments, which have been adduced here.

In the first place, I will agree to every word that my friend from Boston, (Mr. VINAL), has said; and if he will look at our resolution, he will see that it bears directly on the currency; whereas, his has reference exclusively to the banks of the nation. I agree with him: I agree that the national banks are on a most preposterous basis, with their whole capital locked up in Washington. At the time when this system was about to be launched upon the country, I suggested to that distinguished financier, Mr. SAMUEL HOOPER, that one simple provision would do much towards making the system conservative, and making it work, and that was, to allow no bank to lock up more than one-half its capital in the bonds deposited at Washington to secure its circulation, retaining always one-half as working capital, which it could lend or draw in, or do what it pleased with. That suggestion was not adopted, and I was told, informally, by the person to whom it was addressed, that it was found so difficult to get the banks to come into that arrangement, on any terms, that the Government was obliged to concede every thing to them; in order to secure their support to the national bank system. They have now adopted the system, and they do pretty much as they like, and that is the reason why I cannot advocate the proposition of my friend from Boston, (Mr. VINAL), to have a gradual withdrawal of the circulation of the national banks. It is, in short, because the thing is utterly impracticable. It would not be thought of, for a moment, even by the members of this Board; and, I believe, Mr. President, that nothing is ever gained in such cases, by urging the adoption of any measure which is manifestly opposed to the views of a large majority of those to whom it is addressed.

I hope, however, there is enough conservatism in this Board to re-affirm what we said last year about the currency. It is very probable, as my friend has said, that we shall not attain our object at the coming session of Congress, but it is our duty to indicate the only method by which we think it can be attained. There must be, in some shape or form, a contraction of this currency, or it will never be redeemed. That I fearlessly assert, and if I had any reputation as a prophet, I would peril it on the truth of that assertion.

As I have said, our resolution is upon the currency, and therefore I do not want to talk about the banks. When we get to a sound currency, I shall go for a better system of banking. In that, I go entirely with my friend from New York, (Mr. CHITTENDEN), who advocates free banking. I would have every body in these United States free to establish a bank, with a currency redeemable in specie, and with certain conditions, among which, however, I should be apt

to adhere to that one which he so much despises, the reserve of twenty-five per cent., which I will come to presently. With that exception, I dare say I should go with him in every thing. But I would not open the door for any further expansion of paper credit, until we have settled this matter of redemption in specie. It is all very well to talk about the "great and glorious greenback," but, Mr. President, is it a *redeemable* greenback? That is the question; and so long as it is not, I tell you this is not the currency that a nation like ours ought to employ. I think it may be made redeemable with very little trouble, and within a very reasonable time; let us say, five or six years.

My friend from New York, (Mr. CHITTENDEN), has said that the great commercial nations of Europe have come back to this point, that a currency issued by the Government, and to be redeemed by the Government, is the true and best currency. I take issue with him there. I believe there is not one nation in Europe to-day, unless it may be the German nation, which issues a currency redeemable by the Government. The Bank of England is chartered by the Government; it has certain privileges from the Government; it is held to very stern and strict conditions by the Government; but it is essentially a close corporation, and the Government has only that share in its profits which is stipulated by its charter. The Bank of France is also entirely distinct from the Government, but it has the exclusive right to issue paper money, and other privileges, for which it pays in certain ways. Both of these banks are entirely distinct from the Governments of the countries where they exist. In Russia, there is a government bank, but the issues of that bank are not redeemed in specie. I think it is the same in Italy, and there may be, as I have said, a bank identified with the Government in Germany; and if so, its bills may be redeemed in specie, but I doubt the existence of such a bank. If there is one, it is an exception. So much for that.

Now in regard to this "preposterous reserve" of twenty-five per cent. Do gentlemen understand what they are telling us, when they call that twenty-five per cent. reserve "preposterous"? The same complaint was made in a circular, which I received in Boston a few weeks ago, crying out against the national bank system. The only conservative feature which exists in the present system, is the twenty-five per cent. reserve. What would you think, if I were to set before you an inverted pyramid, and place on that one much larger, and on that another larger still, until it should be something ten times as large at the top as at the bottom, and should then begin to cry out

against that little base as a "preposterous" and needless security for the stability of the whole ! What would you say to that ? Let us look at it. Let us suppose that New York holds reserves to the amount of one hundred millions for the national banks in the country. They have the right to keep three-fifths of their reserves in New York. They are required by law to keep only fifteen per cent. of their immediate liabilities on hand, either at home or in New York. What would you think of me, if I owed to-day a hundred thousand dollars to a gentleman of this Board, and had fifteen thousand in hand to pay it with, and were to cry out against the *enormous wickedness* of compelling me to keep such a heavy reserve ? But you say the money will not be called for. Very good, but am I to have nothing in hand, and when the man comes in with a fifteen thousand dollar check, say to him that I have got nothing, but if he will wait until I can sell my bonds, or call in my loans, he shall have his money ? This might answer for a country trader, but it will never do for a city banker ; still less, for a great banking system.

Now, out of one hundred millions of demand liabilities, fifteen millions are to be held in reserve. Of this the banks are allowed to place nine millions in New York, and they keep six millions at home. Of that nine millions the New York banks are held to the *very burdensome duty* of keeping two and a quarter millions on hand, where it is most likely to be wanted and called for. Six millions in the banks all over the country, two millions and a quarter in the banks of New York ; eight and a quarter millions to represent one hundred millions of liabilities ! And this, not a merchant doing business, but a bank, whose profits are large, and which is supposed to have in reserve the great financial deposits of the country. We have reduced the one hundred millions down to eight and a quarter millions, and talk about the "preposterous" character of such a reserve, and want it all thrown away, and left to the discretion of the bank managers, who are perhaps charging one or two per cent. a month for their loans, and want a little more ! There is no system under heaven which can be administered in this manner without disaster. I say that this twenty-five per cent. reserve is, probably, the only thing which keeps us from destruction. It is true, that if those notes were redeemable in specie, the bank managers might be compelled to keep twenty-five per cent, or more, on hand ; but now there is no restraint of this kind, for there is no talk of redemption, and when I draw a check for ten thousand dollars, they profess that they cannot even give me currency for that check, to say nothing of specie. Do you call that conservatism, and do you want to increase the danger still further ?

I am as much in favor of free trade in banking as any one. I agree with the gentleman from Philadelphia, (Mr. BUZBY), that it is absurd to say, that we must have so much currency *per capita*,—say, five, ten, fifteen, or twenty dollars; but it is not too much to assert, so long as we have in circulation over the country, an amount of currency which it is impossible for the banks to redeem, either in gold or in any other way, that we have too much currency. All I say is, let that currency be contracted to such a point that it can be redeemed in specie; let the issues of the Government be placed in such a position that every greenback can be redeemed in gold, and then, if they can keep ten hundred millions afloat, I will not object.

Mr. FAIRBANK, of Chicago: I have but a few words to say on this subject. We meet here as merchants, not as theorists, to discuss business and financial propositions. In order to act intelligently, we want to go back over the history of the past year, and see what our action should be this year. I find that at the session last year, the resolution finally adopted was this:

"Resolved, That in the opinion of the National Board of Trade a return to specie payment is for the best interest of the country, and in order to bring this about without causing any disturbance to the business interests of the country, a gradual and steady contraction of the currency is necessary, and that such contraction should be at the rate of three per cent. per annum on the volume of paper currency, both legal tender and national bank."

The few words I have to say will bear upon this question of contraction. We have had contraction for the last year. We have had a contraction of about forty-three millions of the three per cent. certificates, which the banks held as a reserve, and what is the result of it? A year ago, at this time, and all through the year, money was comparatively easy—four, five, six and seven per cent., for almost any amount of money to do the business of the country upon; but we have had, as I say, this last year, a contraction of about forty-three millions. What is the result of it? And it does not grow out of any of the operations of Wall street, either. The lock up of currency, a week or more since, created a special stringency, but money is hard to borrow all over the country; and it is fair to say, that there is not currency enough to do the business of the country to-day. Wheat is now worth a dollar and ten cents a bushel in Chicago, because money is worth twelve or fifteen per cent. per annum, and very hard to get at that. I know that the best business paper that can be made in the city of New York, has not sold for four months, for less than ten per cent. here, in this market, and would not yesterday; a year ago, it would sell for seven or eight per cent. I hold, gentlemen, and I think you will agree with me, that

this is the direct result of the contraction of forty-three millions of the three per cents. during the past year.

These are the results which, as business men, we want to look at ; and if we thought last year, that contraction would be a good thing, let us see what it has done for us during the past year, before, in the language of the Boston Board of Trade, we "re-affirm emphatically the declaration of last year."

One other thing bearing on that point. My friend from Boston, (Mr. ROPES), thinks that a contraction of the currency will gradually reduce the premium on gold and bring us to specie payments. Look over the price of gold the past year. The variation has been very slight—not enough to mention. In October the prices have ranged just about what the quotations have been this year—from eleven and one-fourth to eleven and three-fourths. So that the contraction of forty-three millions last year has had no effect practically upon the value of gold. These are the very facts that we want to look at, from year to year, as we meet to express our opinions upon these subjects, and not at mere theories on political economy, currency and finance, which we are, all of us, too apt to deal in ; and I trust, Mr. President, that there will be no resolution passed by this Board, affirming the doctrine of contraction of the currency. We have not currency or money enough with which to do the business of the country to-day, without paying an exorbitant rate of interest.

Mr. CHITTENDEN, of New York : I wish to say a single word in reply to the gentleman from Boston (Mr. ROPES). If he is right I am wrong in respect to the currency of the Bank of England and the Bank of France. I was under the impression that we had copied our system from England and France, in regard to the paper circulation of those two institutions, and that the Governments were in some way responsible for the currency ; and I frankly acknowledge that I am still under that impression, although I should and do accept his opinion as more likely to be correct than my own.

A single word further. I used the word "preposterous" in regard to the twenty-five per cent. reserve. The gentleman who has just spoken (Mr. FAIRBANK) has proved that the twenty-five per cent. reserve is absolutely impracticable under the contraction which has resulted from the withdrawal of the forty-five millions of three per cent. certificates. If that is to be continued, it will be in the power of private capitalists in Wall and Broad streets, at this season of the year, to break the banks, practically, as often as they please to conspire to do it. They have done it three times within the last five or six weeks, and they may do it three times more before the first of

January, if they have anything to make by it ; and under the existing law, as it stands, with the withdrawal of this forty-five millions of three per cent. certificates, I undertake to say, that the Secretary of the Treasury is liable to be called upon at any time, at short notice, to interfere to prevent a commercial panic brought about by such conspiracies as those which recently occurred in Wall street. If I am mistaken in that, the word "preposterous" was an unfortunate one ; and, in any case, I concede that it was an unhappy one ; but I believe it to be perfectly true. If my friend from Boston (Mr. Ropes) should find that the Secretary of the Treasury is obliged to come again to the rescue, as he may be, to save the banks from disaster, because the law requires them to reserve this twenty-five per cent., he will probably be converted to this,—that it is necessary, in some way, to modify that provision of the law.

Now, I would like to say one word in regard to the spirit of my resolution. I am perfectly willing to yield it to those which have been offered as a substitute, but it seems to me that this Board can only do one thing in regard to this matter wisely and efficiently. I believe in so expressing ourselves that our opinion shall have some effect. Now, if we go to Congress and say, "Gentlemen, we have been long enough with a paper currency without taking the first step towards making it redeemable ; we have proved by the contraction of the last year of this forty-five millions of three per cents., that the present system of banking must be revised before we can have a resumption of specie payments on the part of the national banks," and call their attention to the necessity of doing something in regard to it, we shall give force to the common public sentiment (I am sure I am not mistaken in regard to it) that something must be done. We cannot do it ; we cannot legislate ; but we can say, emphatically, to Congress, "You must take up the subject and exercise your best judgment upon it." I think that every gentleman should vote for some resolution, either my own, or one better drawn, which will express that idea. The essence of every speech that has been made here to-day is the same. We all of us want to accomplish the same end. Probably no two would agree in the precise method of attaining it, but there is no difference of opinion among the gentlemen present here, I judge, in respect to the necessity of a resumption of specie payments, at some time, by the Government and by the banks of this country. I say, then, put the head of the ship in the right direction ! No matter how slowly it goes,—I do not care if it goes but a quarter of an inch a year,—but let the head be put in that direction, and let the Secretary of the Treasury, whoever he may be, understand that

the people of this country, the commerce of the country, will tolerate nothing else. Let us all keep in mind that we must go in that direction, and then, however slowly we may move, we shall be upon the right track, and the tides will sweep us into a safe haven in an unlooked-for brief period, very likely; for there is nothing sure in this country but the things we do *not* look for.

Mr. COOK, of Cincinnati: It seems to me that this discussion has taken a very wide range, and wandered far away from the real question at issue. The proposition, as presented by the Boston Board of Trade, is simply a re-affirmation of the resolution adopted at the St. Louis meeting last year, and which has been read by the gentleman from Chicago (Mr. FAIRBANK). It is very plain and simple, and means only this: that the National Board of Trade is of opinion that the best interests of the country require a return to the specie standard, and that that return cannot be made on the present volume of paper money, and therefore a gradual and easy contraction of the paper currency is necessary.

Now, sir, I believe all this is true. No one claims that immediate resumption is practicable or desirable. But we do hold that immediate steps in that direction should be taken. A fixed policy of gradual contraction, such as is contemplated by the St. Louis resolution, say about twenty millions per annum, would be, to use the language of the gentleman from New York (Mr. CHITTENDEN), setting our ship in the right direction, and business men all over the country would understand its meaning and consequences, and prepare themselves accordingly.

If we really mean to come to specie payments within any reasonable time, the thing to do is to put a stop to expansion, or the disposition to expand; and the way to do this is to begin to contract a little,—no matter how little, so that it is contraction, every year a little less paper money.

Wild speculation asks for more money. Legitimate business would be benefited with a little less. The plausible argument has been made to-day, as well as at our meetings heretofore, that we were contracting fast enough in the growth of the country. This implies an admission that we have too much paper money, but that we must bear the evil until the growth of the country cures it. I believe, sir, at such a rate of contraction as this, none of us here present will live long enough to see our paper money as good as gold. Mr. President, in the part of the country from which I come, intelligent business men are not afraid of a contraction of the paper money, provided it be slow, and easy, and continuous,—they want a settled policy on this

vital subject, which cannot be changed or set aside by the Secretary of the Treasury or any other officer of the Government. We want as speedily as possible to reach that time when gold and silver shall become the money of the country, and cease to be its merchandise and a foot-ball for speculators. We have too much of what is *called* money in this country, and too little of what is *really* money. It is that fact which is the basis of the wild speculation about which so much has been said in these discussions. The fact that we have such a volume of currency is one of the chief causes of the tightness of money, which has been complained of by my friend from Chicago (Mr. FAIRBANK). If, instead of seven hundred millions of paper money we had one thousand millions, in my judgment the rates of interest would be higher than they are to-day, and money more difficult to obtain for the uses of legitimate trade.

It does not appear to me necessary in this debate, that we should discuss the respective merits or value of the two classes of the paper money in circulation,—the greenback and national bank note; but in reply to what was said by one of the gentlemen from Boston, (Mr. VINAL), I will here remark that if there is any difference in value between the greenback and national bank note, it is in favor of the latter,—that is, there is more and better security for the payment of the bank note than for the greenback. The greenback is simply a piece of paper upon which the Government has printed its promise to pay, but when called on to pay it does not pay. Technically, it is a dishonored piece of paper, having been protested because its maker has refused to pay on demand, according to promise. Now, then, how is it with the national bank-note? It is redeemable on presentation, according to the terms of the law authorizing its issue, and it is so redeemed.

Mr. VINAL, of Boston: In what?

Mr. COOK: In greenbacks; just as the law provides and requires. The bank issuing the note lives squarely up to its contract and redeems its note. What I want to see is, the Government redeeming its notes, and requiring the national banks to redeem theirs.

One word further on this subject. I said if there was any difference in the security, that it was in favor of the bank-note. Let us see. The greenback is simply the promise of the Government to pay five dollars, which it has already refused to do. The bank-note is the promise of the bank to pay five dollars. When called on to pay, it pays in that which the Government has required it to pay in. The Government holds as security for the payment of this bank-note.

bonds worth par in gold, hypothecated at ninety cents on the dollar. In other words, for every ninety dollars of national bank-notes in circulation, the Government holds as security for their payment one hundred dollars in gold, and still behind this is the further security of the double liability of the stockholder of the bank.

Mr. VINAL, of Boston : I would like to ask the gentleman if the party who issues the legal tender is not in the market to buy bonds and pay out the gold, and if it has not been able to buy one hundred thousand dollars the present week at par, in gold? And I ask him, if there is a bank in the United States, against which he holds a demand, to which he can go and get the gold, unless it is expressed on its face that he can have the gold for it?

Mr. COOK : No sir; because the United States, by its policy, will not permit it. That is the answer.

Mr. VINAL : The national bank bill is payable in greenbacks, and the people, who make the greenback, say it is better than gold.

Mr. COOK : That is a matter of opinion rather than of fact. It is not the business of the Government of the United States, nor of any other Government, except, perhaps, in some great emergency, and then only temporarily, to issue paper money for general circulation, to carry on the business of the country. It is, however, the business of the Government to coin gold and silver into money, such money as the Government has promised to pay its debts with. It is the further business and duty of the Government to enact and provide such laws as may be necessary for the organization of banks throughout the country, and to permit these banks under such restrictions as may be necessary to issue paper money. When the legal tender is redeemable in coin, (or ceases to exist as a circulating medium,) then require the national bank-note to be redeemed in the same way.

Whenever it becomes the policy of the Government to begin and continue a steady contraction of greenbacks, the banks will at once begin to put themselves in condition for resumption, and when the time at last comes, they will be fully prepared.

Mr. President, I am earnestly in favor of getting back to the specie standard as early as possible,—it is our true policy. Any other condition is an unnatural one, and so long as it continues we shall have violent and sudden changes in values and an unsettled commercial condition.

For these reasons, I favor and shall vote for the original proposition. The amendment offered by the gentleman from New York,

(Mr. CHITTENDEN), and that proposed by the gentleman from Philadelphia, (Mr. BUZBY), if adopted, would simply put us in the position of avoiding or dodging the vital question, and I want to meet it squarely.

Mr. SARGENT, of New Haven: As we are taking up considerable time with the discussion of this question, and as we are substantially agreed in regard to it, I desire to propose to the gentleman from Philadelphia (Mr. BUZBY) to adopt the resolution of the gentleman from New York, (Mr. CHITTENDEN), with an amendment which I will propose. I wish to add the words, "and to establish a free banking system." I think, with this amendment, the resolution of the gentleman from New York will satisfy the gentleman from Philadelphia, and as it looks to an early resumption of specie payments, it will satisfy the gentleman from Boston, (Mr. ROPES.)

Mr. ROWLAND, of Cincinnati: I desire to say only a few words, to this purport: that I see no reason why we should, in any sense, retreat from the position which we took last year. That was, in my opinion, a sound position, and we ought, at least, to maintain it.

Reference has been made by one of the gentlemen from Boston (Mr. VINAL) to the purpose for which the national banks were formed. My recollection of that is, that they were formed to set the bonds afloat, to be used as machinery for that purpose, and that there was no other machinery at the command of the Secretary of the Treasury. Of course, if they were to have a circulation only in the United States, that would have been preposterous, but we needed a foreign market for those bonds, and the national banks were asked to give us credit abroad. Otherwise, there would have been no conceivable reason for their existence, and I see none now. I believe that they are in the path of resumption, and that it is their purpose and policy to keep us afloat upon a paper currency. It is for their interest to do it, and men will follow their interest.

I have another objection to them, and that is, that it is impossible for them to be otherwise than a powerful political agency in the hands of any administration to which they adhere, and they are unanimous in their adherence to the party in power, and will be, no matter what change may take place. I want to see the national bank system rooted up, and something else substituted; I leave for the time that is to come the decision as to what that shall be. I believe we ought to set our faces towards specie payments, and I hope, therefore, that we shall take no step backward, but indicate, in a general way, that it is the opinion of the National Board of Trade

that the General Government should set its face steadily toward the resumption of specie payments, leaving the question whether that progress shall be slow or fast to be determined by the business interests of the country.

Mr. YOUNG, of Baltimore : I mean no discourtesy to those who have spoken on this subject this morning, or to those who may wish to speak, but as any discussion which we are likely to have will only be a reiteration of what we have had at previous meetings of the Board and to-day, I move that the debate on this question now cease.

Mr. VINAL, of Boston, said that he should like to offer the following resolution as a substitute for the different propositions before the Board :

Resolved, That the National Board of Trade affirms emphatically that it is incumbent on the National Government to prepare, by a moderate but steady contraction of the national currency, for the ultimate resumption of specie payments by the national banks, and believe that such contraction, instead of curtailing the legitimate credit and industry of the people, will rather tend to enlarge them, by checking unwarranted speculation, thus restoring capital to its legitimate channels, by gradually enhancing the value of all the national securities and restoring a national and sound standard of value.

Mr. COOK, of Cincinnati : Does the gentleman mean by that, that the national banks shall resume specie payments before the Government itself?

Mr. FAIRBANK, of Chicago : I think the gentleman will add the words, "and the Treasury."

Mr. VINAL, of Boston : I cannot agree to that, because I think, when the national banks contract, we shall want a few more Treasury notes put out. (Laughter.)

The question was then put on Mr. YOUNG's motion, that the debate now terminate, and it was agreed to.

The vote was first taken on the amendment proposed by Mr. BUZBY, of Philadelphia, and it was lost. Mr. CHITTENDEN's amendment was then agreed to, and the question being on the adoption of the resolution as amended, Mr. COOK, of Cincinnati, demanded the yeas and nays.

The roll was called, with the following result : —

Yeas : Messrs.—

Burwell,	Grosvenor,	Malone,	Smith, (R. W.)
Chittenden,	Hawley,	Marsh,	Smith, (W. E.)
Dorr,	Hazard,	Murdock,	Stranahan,
Duncan,	Hoffman,	Neff,	Vinal,
Fairbank,	Holloway,	Opdyke,	Ward,
Fisk,	How,	Patten,	Wetherill,
Graham,	James,	Rowland,	White,
Gray,	Johnson,	Sargent,	Young,—32

Nays : Messrs.—

Buzby,	Dempster,	Parr,	Taylor,
Candler,	Lane,	Ropes,	Wessel,—9
Cook,			

Messrs. ROPES, of Boston, and COOK, of Cincinnati, explained that they voted "No," because the Board had taken similar action so many times that they were tired of it.

Mr. LANE, of New York, stated that he thought the resolution did not go far enough, and therefore he voted against it.

XXIV.—SHIP CANAL NEAR FORT ST. PHILIP.

The construction, on national account and under national superintendence, of a free ship-canal to connect the deep-water navigation of the Mississippi with that of the Gulf of Mexico, at points at or near Fort St. Philip.

Mr. BURWELL, of New Orleans : I regret, sir, that the only proposition which has come from the valley of the Mississippi, and which asks the consideration of this body, should, from the pressure of business, have been postponed to so late an hour that it would be impossible for me, except by drawing largely upon the intelligence and patriotism of the Board, to make such an explanation as would do it justice. Sir, measures of great importance have occupied the attention of this body, but those measures have been

confined, as you will observe, to particular sections and a particular class of subjects. We have welcomed here from the Dominion of Canada, gentlemen of high intelligence, deeply interested, with ourselves, in the affairs of commerce; we have listened to discussions about questions of finance and shipping and internal improvement; but, so far, there has been no measure touching at all the valley of the Mississippi,—the commercial interests of that great outpost of American civilization,—that point from which all progress must inevitably depart for extension over and control of the continent—the city of New Orleans. Nor does she speak on this occasion for herself. We feel as a deputation from the trans-Alpine provinces, or from Britannica herself might have felt, when standing in the metropolis of the ancient Roman empire. I am not here to plead the cause of the people of my city, but to advocate, in a few words, a measure national in its character, that concerns the northwestern and the eastern portions of this country as deeply as it concerns the city of New Orleans itself.

The Mississippi river, watering, with its branches, seventeen States, comprehending twenty thousand miles of navigation, overspreading a million and a half square miles, representing seventeen millions of people, and conveying four hundred and fifty millions of commerce,—that river discharges itself over a bar which is movable in its character, and over which the water is so shallow that it is impossible for the vessels of the present period to cross it. Now, the simple proposition here is, that there shall be a cross-cut ship-canal constructed near the mouth of the river, at the expense of the nation; a canal seven miles only in length, to be maintained by the nation and under the jurisdiction of the nation exclusively. Such a canal will give you an outlet to the sea, which will be of incalculable advantage to the whole country, and will enable you to go on and develop this great country.

I feel oppressed with the position which we occupy here; I feel oppressed with the magnitude of this work; and I feel especially personally oppressed at this moment in addressing an audience of intelligent gentlemen such as I see around me, exhausted, as they must be, by previous labors, and occupied in their preparation for departure. I feel that it is impossible for me, even by relying upon the patriotism of this body, to explain, as I should wish to do, the importance of this measure. But, sir, if I can have the attention of the gentlemen from the West, I will address to them a few observations on the shipment of bulk grain. You have heard a most valuable paper from the gentleman representing the city of Troy, (Mr. FERGUSON), which

demonstrated, among other things, that the cost of transporting a bushel of grain from the interior towns of the West to the sea-board was thirty-three cents and a fraction. That gentleman went so far as to demonstrate that it cost three bushels to get one to market. Now, it is perfectly plain, even in the condition in which the Mississippi is to-day, that that grain can be taken to the port of New York for twenty-five cents a bushel, and to the port of Liverpool for something like thirty-five cents. Sir, that grain trade already exists. We carried last year a million and a half bushels of bulk grain, and every steamer that comes into the port of New Orleans now has compartments and bins, in which bulk grain is carried as ballast, and by which the vessel is trimmed; but the navigation at the mouth of the river is maintained by dredging, and the depth of water now to be obtained is not sufficient to justify us in putting on the largest class of vessels, which would materially reduce the cost of transporting the grain. There should be, as every practical gentleman will tell you, vessels drawing twenty-five feet of water, and capable of carrying sixty, seventy, ninety thousand bushels of grain, while those which go now carry no more than thirty or forty thousand bushels.

Sir, I will address the gentleman from New York, particularly, upon the importance of constructing this great water-way as a competing line with the St. Lawrence; which is, in fact, the great competitor with the Mississippi. It is perfectly demonstrated that the Mississippi, if deepened to the extent which we propose, will bring to New York the whole of the western cereals. It is perfectly plain, that unless New York employs that great rival of the St. Lawrence, that rival which can carry all commodities, at all seasons of the year, with economy and dispatch,—it is perfectly plain, that unless New Orleans takes some measures to deepen the Mississippi river, (and I am happy to say, that some of our ablest presses have recommended the measure which we propose here,) it will be impossible to hold the great western trade, which is already slipping away from us. The St. Lawrence now carries twenty-three millions of bushels, against forty-seven millions coming to New York. I maintain that with the Ohio and Mississippi rivers, properly improved, New York can control that trade, and the result will be that this city will be able, with the aid of that great river, to compete with any rival that may show itself.

Sir, I might go a step further, and say, if you make that deep-water cut, and enable us to command the trade of this continent, that instead of being limited, as we are, to the commerce of Europe, we should have a grand continental commerce worth nearly double as much as the commerce of Europe itself. What is the condition of

American commerce with Cuba? I can not advert to it further on this occasion than to call the attention of gentlemen to the overwhelming importance to American shipping and American commerce of establishing the same reciprocal relations with that island which we have sought, by the labors of this session and the last, to secure with Canada. Give to the cities of the United States, and to the great West, the means of outlet and the commercial facilities of reciprocity with Cuba and Spanish America, that you do with Canada, and we shall be perfectly contented. The nation will then expand in every direction. She has reached the arctic regions on one side; let her go beyond the tropics on the other. I desire that there shall be but one nationality on this continent. I know that the prosperity of the South depends upon the power and prosperity of this nation. I know these are the roof over its head and the columns that support it. We know that a nation does what it will, and whenever the great interests of commerce, manufactures and shipping in this nation are combined with its enterprise and capital, there is no possible obstacle that can stay its progress, until it covers the continent with prosperity and civilization. We have sense enough to know that your interest is our interest. Where you go, we will follow. Add all these countries to your own, and all the gloom, the madness and the sorrow of the past will be forgotten in the glory of the country which we in part represent, and we will follow that flag and be protected under its shadow. And why? Because all the obligations of gratitude will be due to it, because it has had the wisdom to extend a general amnesty, because it has wiped out for ever all the sorrow and troubles of the past, and because it is our interest to follow it.

Now, there are reasons of general force why the Government should ask from Spain the same reciprocity with Cuba which you ask from Canada,—which she was kind enough to tell you she did not ask for,—and why the same principle of reciprocity should be extended to this whole continent and the neighboring islands. I refer to this only incidentally, as an argument why you should turn your attention to that region of country, and especially to that outlet of the city of New Orleans.

I will say further, in regard to this proposition, that the Government has ordered a survey, and the work is pronounced practicable; and those of us who have looked into this subject are perfectly willing, if the nation will construct this outlet, which can be kept open at all seasons of the year, that it shall withdraw the annuity which is applied to dredging the mouth of the river—three hundred thousand

dollars—and the capitalization of that amount will secure the construction of the work.

Now, sir, as the best return I can make for the kindness with which these remarks have been heard, I will read the resolution. I have drawn it with very great care, and have preserved the principle adopted by this body in regard to works of internal improvement:

Resolved, That this Board hereby recommends to Congress the construction as a national work, on national account and under national jurisdiction and control, of a free ship-canal to connect the deep-water navigation of the Mississippi near the mouth of that river with that of the Gulf of Mexico at points near Fort St. Philip and Isle Breton respectively. *Provided*, That the construction of said work be deemed by Congress practicable and expedient; and *provided*, further, that any appropriation for the construction of the work be made upon condition that it be shown that the State of Louisiana, within whose territory the canal is to be entirely located, consents to concede and abandon to the General Government any and all interest in, and jurisdiction and control over, the said work, together with the free and unrestricted right of way, and a release of all proprietary title and of eminent domain therein.

The resolution was agreed to unanimously.

XXV.—HARBOR IMPROVEMENT AND CANAL CONSTRUCTION.

That Congress be memorialized:

1. For additional and larger appropriations for the removal of the bars and obstructions from the bay and harbor of Mobile.
2. To order a survey or surveys across the peninsula of Florida, with a view to the cutting of a ship-canal across the same.
3. To have a survey made with a view to a connection of the waters of the Tennessee and Coosa rivers.
4. For the speedy consummation of a canal connecting the waters of the Pacific and Atlantic, known as the Tehuantepec canal, or some similar one.

Mr. MURDOCK, of Mobile: At this late hour of the last day of the session, I do not propose to go into a discussion of these four questions, and therefore ask permission to withdraw Nos. 1, 3 and 4 and confine our action to the second.

I take it for granted that it is a work of supererogation to say to this Board that this is a national question, in which the entire West, as well as the entire South, and through these sections, the nation at large is deeply interested. I will not presume to take up the time of the Board by discussing it for a moment, but if I can get a second, I will move that Congress be memorialized to undertake the work of surveying the peninsula of Florida, with a view to the construction of a ship canal.

The motion was seconded and carried.

XXVI.—TELEGRAPHIC REFORM.

What course is necessary to secure a more thorough and a more economical telegraphic service?

Mr. VINAL, of Boston: This is a question with which I am not at all familiar. It is something like the matter of market-reports. It is very intricate and experienced persons will be needed to perfect any resolution relating to it. I would move that it be referred to the Executive Council.

Mr. DEMPSTER, of San Francisco: I should like to say, for the gentleman's information, that while I am not prepared to offer any resolution on the subject, I have seen recently a report of the results, so far, of the experiment which the English Government has made of taking the telegraph system into its charge, and working it for the benefit of the people. The result, to my surprise, is very favorable. The increase in the number of messages has been very great, the rapidity with which they have been delivered to the public, and the satisfaction given to the public, have been unexampled; and the net income derived, after all expenses have been paid, and after extending the wires into parts of the country not previously supplied, has been sufficient to pay much more than the usual dividends on the bonds issued for the purchase. I think it will be wise for us to bear in mind these facts, and to watch the result of that experiment in England, with a view to proper efforts, at some future time, to induce our Government to attempt the same or a similar plan, to afford our people equal facilities. Their price for telegraphing, as I understand, is twenty-five cents for twenty-four words to any part of the kingdom.

The question was then put on Mr. VINAL's motion to refer to the Executive Council, and it was agreed to.

XXVII.—INTERNATIONAL COINAGE AND DECIMAL MEASUREMENT.

The continuance upon the calendar of the subject of international coinage and decimal measurement, in the hope of attaining practical results.

Mr. STRANAHAN, of New York : I beg to offer the following resolution :—

Resolved, That the Hon. SAMUEL B. RUGGLES, of New York, late delegate from the United States to the International Monetary Conference at Paris in 1867, and now Chairman of the Committee on Coinage of the Chamber of Commerce of the State of New York, be requested to state briefly to this Board the present condition of the measures proposed for unifying the gold and silver coinage of the world.

The resolution was agreed to, and Mr. RUGGLES, on being introduced by the President, was received with applause.

Mr. RUGGLES, in response to the invitation, made a full explanation of the difficulties which had attended the unification of the *Gold* Coinage, and offered the following resolutions :—

Resolved, That this Board, after due consideration of the difficulties and delays which have prevented, thus far, the unification or the assimilation of the *gold* coinage of the United States, with that of any of the nations of Europe, deems it highly desirable for the increase of commerce and intercourse throughout the world, that the necessary measures be taken without loss of time, for unifying the *silver* dollar of the United States with silver coins of equal weight and quality, in the other nations of America, and in those of Europe, Asia and Australia.

Resolved, That this object, so important to the advancing civilization of the age, may now be readily attained, and without encountering any of the difficulties apprehended in the unification of the gold coinage, by a slight amendment of that portion of the bill now pending in Congress for the general revision of the coinage of the United States, which proposes to reduce the existing weight of the silver dollar (four hundred twelve and one-half grains) to three hundred and eighty-four grains.

[It needs only the addition of one grain and eight-tenths of a grain (not exceeding in money value one-half of one cent,) to the weight

thus proposed in the pending bill, to make our silver dollar equi-ponderant for all practical purposes with twenty-five even metrical *grammes*, the existing weight of the principal silver coin in a large number of the nations of Continental Europe; to wit: of the five *franc* silver coin of France, of Belgium and of Switzerland, the five *lire* silver coin of Italy, the five *peseta* silver coin of Spain, the five *drachma* silver coin of Greece, and precisely double the weight of the new silver *florin*, about to be introduced into Austria.]

Resolved, That in view of the very important fact, that such a weight for the United States silver dollar, would allow it immediately to pass, unchanged in name, and without re-coinage or other impediment, and bearing our national emblems, side by side with the silver coins of these European nations having a population now exceeding one hundred and twenty millions, reaching from the Atlantic ocean to the western boundary of Turkey; and in view, also, of the strong probability that the same weight will be eventually adopted by all the coining nations of the world, the National Board of Trade hereby respectfully urges upon Congress the adoption of the amendment referred to, of the pending bill.

These resolutions were adopted unanimously.

XXVIII.—NATIONAL BANKRUPT ACT.

What is the working of the National Bankrupt Law, and is any modification or amendment of it desirable?

XXIX.—STATE AND MUNICIPAL TAXATION.

The consideration of the question of State and Municipal Taxation.

Both these topics were continued on the programme.

The venerable PETER COOPER, of New York, who had occupied a seat at the right of the President, was introduced to the Board by the President, and tendered to the delegates an invitation to visit the Cooper Union.

On motion of Mr. McCLAVE, of Newark, the invitation was accepted, with thanks.

The subjects on the programme having been disposed of, Mr. COOK, of Cincinnati, offered the following resolution:—

Resolved, That the thanks of this Board are due, and are hereby tendered, to the officers and members of the Chamber of Commerce of the State of New York, and the Importers' and Grocers' Board of Trade, for their attention and hospitality to the members of this Board, as exhibited in the excursion in the Bay of New York and the splendid dinner given last night at DELMONICO'S.

Mr. GRAHAM, of Louisville, seconded the motion, and it was carried unanimously.

Mr. DORR, of Buffalo: I move that the thanks of this Board be tendered to the press of the city of New York for the reports they have published of our proceedings.

Carried.

A motion to adjourn having been made, the President said:—

Before putting this question, gentlemen, I desire, in parting from you, again to express the great gratification that I have experienced in being permitted so often to meet with you, and to participate in the labors of this body. I hope that the good work which we have so successfully prosecuted for nearly five years past, will continue to be prosecuted earnestly and courageously by the constituent bodies, and that every delegate will feel a personal interest in making it so well established and so well known that all the commercial bodies of the United States shall very speedily be drawn within this organization, and be made participants in our labors.

I thank you most sincerely, gentlemen, for the honors you have so persistently imposed upon me, and bid you an affectionate farewell. (Hearty applause.)

Mr. HAZARD, of Buffalo: Before the motion to adjourn is put, I wish to say one word. Gentlemen, I propose that the thanks of the National Board of Trade be tendered to our President for the able, dignified, and courteous manner in which he has discharged the duties of his position.

The motion was put by the Secretary, and carried unanimously.

The motion to adjourn was then put and carried, and the Board adjourned *sine die*.

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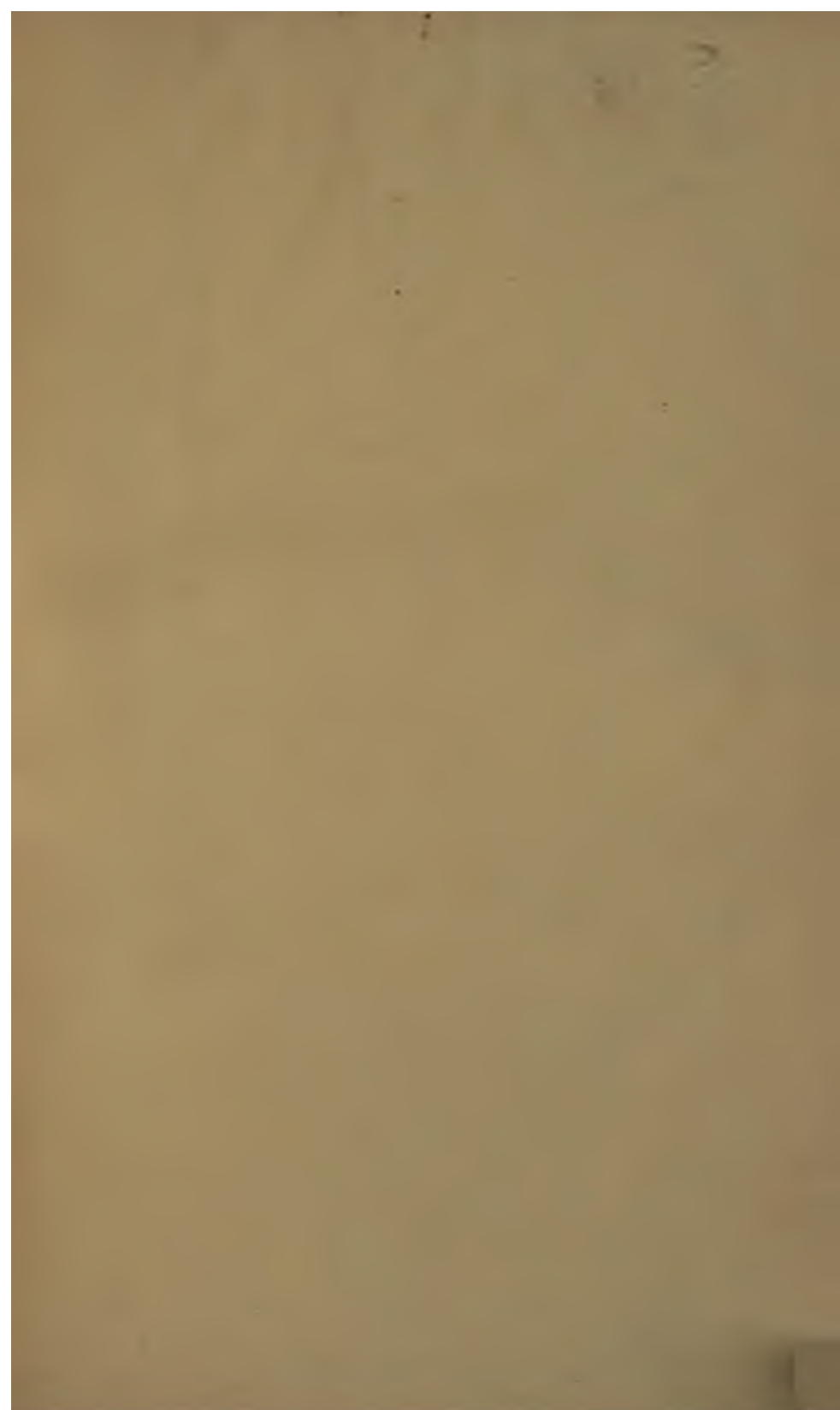
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